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## Air Terror: A Door Still Ajar 3 Years After the Lockerbie Bombing, Airports Can't Detect Plastic Explosives

By Paul Houston

WASHINGTON — The bombing of Pan American World Airways Flight 103 three years ago triggered substantially tighter security at airports, aviation officials say, but a big gap remains: a machine to detect plastic explosives like the kind that blew up the Pan Am plane.

Metal detectors and X-ray machines have been upgraded, security people have received better training, baggage checking procedures have been strengthened and more fences have been built around radar towers and other sensitive facilities. But the Federal Aviation Administration has been forced to scrap a plan to deploy 150 machines to detect plastic explosives at a cost of \$175 million because the first six that were used did not work very well, the agency's security chief, Clyde Robbins, said in an interview.

[Airports in Europe and Asia, as well, have not deployed machines designed to detect sophisticated explosives of the kind used in the suitcase bomb that destroyed Flight 103, government and airline officials told the International Herald Tribune on Friday.]

[Despite rapid advances in detection technology, they said, international airlines believe that the emergence of a commercial device that can screen passengers and baggage for these substances is still several years away.]

[European security officials "have cooled off their initial rush for a technical fix" against such elusive explosives, a French specialist said, noting that the deployment of foolproof detection machines would not prevent terrorists from finding other ways to smuggle charges on board.]

Mr. Robbins said the U.S. government hoped that a foolproof detector could be developed within a year or two. But for now, he said, the agency was falling back on a number of other security measures — most of which he declined to discuss because "that would tell terrorists what they are."

"We think we're a lot less vulnerable now than we were when Pan Am 103 went down," he said. "But we'd like to see better equipment primarily because so much now depends on the human factor."

"Screeners have got to be more alert but that's a damn boring business. So if we can get more equipment out there, we'll be a lot better off."

Secretary of Transportation Samuel K. Skinner said the government had carried out most of the measures in a law enacted by Congress last year. That legislation adopted numerous recommendations of an aviation security commission created by President George Bush after the Pan Am flight was destroyed by a bomb over Lockerbie, Scotland, on Dec. 21, 1988.

The commission called the aviation security system **See DETECTOR, Page 5**

## U.S. Presses Allies to Join In Reprisals Against Libya

Compiled by Our Staff From Dispatches

BONN — The United States gave no sign Friday of when it might act against Libya for its alleged involvement in the 1988 bombing of a U.S. airliner, but President Francois Mitterrand of France said he expected a decision on possible reprisals by Monday.

Mr. Mitterrand pointed out that a French judge had issued arrest warrants for four Libyan intelligence agents charging them with conspiring to blow up a French airliner in 1989. The explosion, over the Sahara Desert, killed 171 people.

Mr. Mitterrand said enough was known for France to assume that Libya was politically responsible for the UTA bombing as well as the 1988 explosion aboard a Pan American World Airways

jetliner over Lockerbie, Scotland, that killed 270 people.

U.S. and Scottish officials on Thursday announced indictments accusing two other Libyan intelligence agents of planting the bomb that destroyed the Pan Am plane.

French authorities are in touch with the United States and Britain, Mr. Mitterrand said, but he had so far not been briefed on possible reprisals against Libya.

"I should be surprised if there was nothing new in that respect by Monday," Mr. Mitterrand said at the end of two days of talks with Chancellor Helmut Kohl of Germany.

President George Bush is trying to assemble an

**See LIBYA, Page 5**



FRENCH-GERMAN APPEAL — Francois Mitterrand, left, and Helmut Kohl speaking with reporters Friday in Bonn. They said EC talks next month were the last chance for unity. **Page 2**

## Yeltsin Curtails Oil Exports

By Tom Redburn

International Herald Tribune

President Boris N. Yeltsin of the Russian Republic announced Friday that his government was cutting off some oil exports and taking over the issuing of oil licenses to preserve supplies for the winter.

Western analysts said the republic's move, which was part of a sweeping package of measures also intended to take control of the gold and diamond industry, might actually be aimed at gaining more of the

revenues from dwindling Soviet oil production.

The price of crude oil jumped 30 cents to \$22.82 a barrel in New

**NATO cautions the Ukraine on its plan to build an army. **Page 2****

York trading after news of the statement, while opinion remained divided on whether Russia intends to stop foreign oil exports or is merely trying to increase its own hard-currency earnings and clamp

down on abuses in the chaotic system of oil licensing.

"We took a decision to suspend all licenses for exporting oil and oil products," Yegor Gaidar, first deputy prime minister of Russia, told the Russian parliament in Moscow.

Mr. Gaidar said the action, which affects oil sold to other republics within the former Soviet Union as well as international contracts, was taken because "if we do

**See YELTSIN, Page 5**

## Economic Fears Send Wall Street Into a Tailspin

By Lawrence Malkin

International Herald Tribune

NEW YORK — Blue-chip stocks tumbled 120 points on Friday, the Dow Jones industrial average biggest loss in two years, in a market beset by fears for the health of the U.S. economy in general and banks in particular.

The Dow's fall of 120.31 points, to 2,943.20, sliced 4 percent off the value of 30 of the nation's blue-chip companies. More than four times as many issues on the New York Stock Exchange declined as rose. In a further sign of the breadth of the plunge, the National Association of Securities Dealers' composite of smaller, more speculative stocks sank 23.55, or 3.9 percent, to 531.29 points.

On Wall Street, said Dale Tillis, chief institutional trader at Charles Schwab & Co., "it looks like everyone's cleaning house. All the news on the economy is starting to hit home."

The drop was the Dow's fifth-largest ever in terms of points, and the largest since a 1977-78 plunge on Friday, Oct. 13, 1989. That was the second-biggest point drop ever, exceeded only by the 508-point loss on Black Monday, Oct. 19, 1987.

The trouble this week began Thursday, when market participants grew concerned about a Senate proposal to limit interest on credit cards. At levels proposed by the Senate, which are unlikely to be enacted, estimates of bank profits would be cut by perhaps 20 percent, a serious blow for a convalescing sector. (**Page 7**)

The stocks of banks and other credit card issuers dropped further on Friday. American Express Co. was one of the most active stocks on the New York market, dropping \$1.25 a share, to \$18.625. Citicorp fell 25 cents, to \$10.75. BankAmerica was off \$1.125, to \$37.125.

Biotechnology company stocks were hit by articles in the financial press warning that they were in for

a dose of reality as some of their products ran into regulatory delays. Organogenesis Inc. tumbled \$5.125, to \$19.875, and Ivax Corp. sank \$4, to \$42.50.

Insurance stocks dropped on news that Aetna Life & Casualty Co., one of the major U.S. insurers, might be carrying as much as \$1.3 billion in bad mortgage loans. Aetna lost \$3, to \$38.50.

The Dow's minicollapse in October 1989 came after an upward ride similar to the one that stocks have had this year. Before Friday, the Dow had gone up about 27 percent in 1991.

Bad economic news has been trickling out of Washington and hitting Wall Street like water torture, and on Friday, Mr. Johnson said, "it finally broke through, and emotions ruled the day."

In more signs of a stalled economic recovery, the government reported Friday that business inventories had risen in September for the first time since the start of the year, and that this had helped keep industrial production stagnant in October.

After business liquidated stocks for most of the year to minimize the effects of a costly overhang of goods during recession, inventories

**See DOW, Page 8**

## China A-Aid to Algeria: U.S. Knew, but Didn't Act

By Elaine Sciolino

New York Times Service

WASHINGTON — The United States received clear intelligence data three years ago indicating that China was helping Algeria build a nuclear reactor that many administration officials suspect is intended for nuclear weapons research and production, according to current and former senior administration officials.

But American officials did nothing with the data until late last year, after satellite photos revealed that the secret plant was well under construction. By that time, the project had advanced too far to be easily stopped.

The Algerian program is part of an aggressive and secret Chinese campaign to export technology and weapons that takes advantage of uneven U.S. and other Western efforts to stem the spread of nuclear, chemical and other weapons of mass destruction.

The U.S. inaction in the early stages of this case reflects longstanding disagreements within the U.S. government over how to interpret intelligence data and how tough to be on China.

At a time when Secretary of State James A. Baker 3d is visiting Beijing, newly disclosed information indicates that Richard T. Kennedy, the State Department's special ambassador on matters relating to the spread of nuclear weapons,

received detailed reports of the Chinese-Algerian deal in late 1988. Included in that information was the actual text of the contract between China and Algeria, according to current and former U.S. officials.

It was only when additional hard intelligence data appeared two years later that the Pentagon and much of the rest of the State Department were informed of the suspicious Algerian reactor.

"I was startled to learn the document had been in hands of Kennedy's office for over two years," Henry S. Rowen, the former assistant secretary of defense for international security affairs, said in an interview. "It seemed very important, and I was totally mystified it was not distributed earlier."

Even James R. Lilley, the former U.S. ambassador to China, said he learned of the initial data only late last year. Since China has stalled other weapons deals after they were uncovered by the United States during the planning stages, this deal might have been stopped if protests had started as soon as the existence of the contract was revealed, senior administration officials said.

Mr. Kennedy, who has held his current position for nearly a decade, was widely known as a promoter of the contentious 1985 agreement to establish nuclear trade between the United States and China. Congress froze that agreement because

of concerns about China's continuing improper nuclear exports to Pakistan and other countries.

Mr. Kennedy was traveling and unavailable for comment, and the State Department had no official comment on the issues.

An administration official familiar with the issue defended the decision not to publicize the Algerian contract, saying: "There was no reason to be alarmed. We don't go rushing to people when we learn of their contracts and say, 'Are you going to live up to your international obligations?'"

Now, the Bush administration says it is vigorously working to stop such deals. But congressional critics, independent arms control and China experts, as well as former administration officials, fault Washington for not dedicating enough intelligence resources to nonproliferation issues.

The problem of the spread of nuclear weapons is one of the main items on Mr. Baker's agenda during his visit. He is expected to praise the Chinese for their recent participation in two sets of multilateral talks on weapons proliferation in the Middle East and nuclear-weapons programs on the Korean Peninsula, while also criticizing them on nuclear cooperation with Algeria and Iran and missile cooperation with Pakistan and Syria.

## India Offering Reactor to Iran

By Steve Coll

Washington Post Service

NEW DELHI — India, a nascent nuclear power that tested an atomic bomb in 1974, is negotiating the sale of a nuclear research reactor to Iran, according to sources familiar with the proposed deal.

The sale would mark the first time India has exported its nuclear technology, some of which was developed indigenously and would not have to be subject to international safeguards.

India has pledged privately, however, that any nuclear exports it makes would be subject to international safeguards, sources said. In any event, Iran has signed the treaty banning the spread of nuclear weapons, so all of its nuclear imports must be subject to International Atomic Energy Agency safeguards.

The Iranian leadership declared last month that Muslim countries should acquire nuclear weapons to match Israel's capability.

Specialists on the spread of atomic weapons and American officials worry that Iran could use nuclear equipment of the kind it is seeking from India to make fissionable material for nuclear weapons, or to manufacture its own equipment to produce such material, even if the Indian sale included international safeguards.

American officials have been pressing India to forgo the proposed reactor sale to Tehran in an effort to block Iran from expanding the nuclear program it has developed during the last few years with imports and technical assistance from China and Argentina. The officials say they fear Tehran's nuclear program is not peaceful, as Iran claims, but devoted partly to the rapid development of atomic weapons.

Details about the nuclear cooperation talks between India and Iran are sketchy. Sources said that negotiations began earlier this year and might have continued as recently as this week in Tehran at a meeting of the Indo-Iranian Joint Commission, a forum for bilateral political and economic talks.

The Independent, a Bombay-based English-language newspaper, reported last weekend that the negotiations with Tehran had reached an advanced stage, and that the sale of a 10-megawatt research reactor to Iran could be announced next month. An Indian Foreign Ministry spokesman said he had no information to confirm or deny this or similar reports.



SIGN OF CAUTION IN ZAGREB — Customers in a Zagreb coffee shop looking out Friday through a window taped against the possibility of exploding shells. An EC representative said that the Yugoslav Army and Croatian officials had agreed on terms for a new cease-fire. **Page 2**

## Poindexter Wins Appeal Of Iran-Contra Conviction

By Tracy Thompson

and George Lardner Jr.

Washington Post Service

WASHINGTON — A federal appeals court on Friday reversed the conviction of John M. Poindexter, a former Reagan administration national security adviser, in the Iran-contra scandal, saying his rights had been violated by the use of tainted testimony.

The court's 2-to-1 ruling overturned Admiral Poindexter's conviction on five felony counts of lying to Congress, destroying official documents and obstructing congressional inquiries into the Reagan ad-

ministration's covert aid to the Nicaraguan contra rebels and a 1985 arms-for-hostages deal with Iran.

The decision was similar to the court's 2-to-1 ruling last year overturning the conviction of Oliver L. North, a former National Security Council aide. But the ruling Friday went further. It refused to give the independent special prosecutor, Lawrence E. Walsh, the chance he was given in the North case to go back before the trial judge to prove that the testimony had not been tainted.

That prompted a strongly

**See DISMISSAL, Page 5**

## A Zairian City, Its Colonial Heritage Crumbling, Is Slowly Returning to the Bush

By Kenneth B. Noble

New York Times Service

KIKWIT, Zaire — The wheel of history, it almost seems, has come full circle here.

Nearly a century ago, when the first Europeans ventured into Zaire's interior, Kikwit was a small village whose people and institutions existed in a quiet, self-contained world wholly uninterrupted by the frenetic rhythms of modernity.

The village gradually disappeared as a social and cultural force as Belgium, Zaire's colonial ruler, exploited the region's mineral and agricultural wealth, transforming Kikwit into a provincial trading center. A paved highway was built to speed diesel trucks hauling cassava and corn to other regions.

While the Belgians were often consummately patronizing to their African subjects, they installed an efficient colonial administration. In time, they introduced health care, water projects, education, telephones and power

lines, helping to turn this once isolated village into one of the most affluent and best-tended cities in the core of equatorial Africa.

Today, the legacy of Kikwit's colonial past is swiftly disappearing.

"Civilization is coming to an end here," said René Kinsweke, manager of Siefac, a chain of food stores, as he spoke of how Kikwit has become a dispiriting tableau of chaos and catastrophe. "We're back where we started. We're going back into the bush."

Six months ago, the Siefac food conglomerate consisted of 21 stores in Kikwit-Bundundu Province. Today, a single store is left, and it is to close as soon as its remaining stock is sold, Mr. Kinsweke said.

The main road to Kikwit is now rutted and crumbling, and for most of the year the city is reachable from Kinshasa, Zaire's capital, only by four-wheel-drive vehicle. In 1960, when Zaire gained independence, a visitor could drive the 480 kilometers (300 miles) in six hours,

Today, the same drive takes at least 10 hours, and for much of the rainy season the road is virtually impassable.

Elsewhere in town, squatters have moved into homes that once belonged to the Belgian colonials. Entire families now camp on sidewalks, in parks and even in cemeteries. Streets and backyards are littered with indescribable filth, and toward the edges of the city the roads crumble into dirty sand and then disappear altogether.

It is at night, though, that Kikwit's seemingly inexorable roll toward ruin is felt the strongest. The sky of this sprawling city is lighted with exactly two street lights, one for each of the city's remaining nightclubs. Aside from private generators, there is no electricity; nor is there running water. The postal, tele and telephone offices have been on strike for months, and no one seems able to recall when the regional radio station made its last broadcast.

"Kikwit is virtually cut off from the rest of the world," said Anthony Jones, a former Peace Corps volunteer

working at a trucking company here, one of the few such ventures still operating.

"The saddest thing," he said, "is that most of Zaire seems destined to follow the same fate unless things change soon."

Life in Kikwit, in fact, has been slowly deteriorating for years, prompted in part by the neglect of the main road linking it to the capital and in part by the diversion of resources into official pockets. But the lingering Belgian influence was a bulwark against collapse.

In Kikwit, Belgian missionaries helped run the school system, and Belgian physicians and nurses operated the main medical center.

All this ended abruptly about 18 months ago when, in one of his periodic fits of pique against the Brussels government, President Mobutu Sese Seko ordered all Belgian cooperative agencies, which included most physicians, teachers, bridge engineers and public health administrators, expelled from Zaire. The French soon followed,

and the U.S. Agency for International Development, which based one of its largest programs here, began pulling out last June.

The departure of the international agencies has been devastating, but compounding Kikwit's misery is a growing scarcity of food because most people simply cannot afford rising food prices. The inflation rate is nearly 3,000 percent, and incomes are not keeping up.

In the town's market district, most display windows are broken, and empty shelves gather dust. Only one merchant beckoned a foreign visitor to inspect his meager display of soap and detergents. In the same breath, he asked a question that is often heard here: "Want to change money?"

The other question often asked of a foreigner, once they are sure that they will not be quoted by name, is how long Mr. Mobutu will last. The question reflects a widespread feeling that Kikwit's decline can end only when the president is no longer in power.

### Kiosk

#### Bush Is Revising Asia Trip Plans

WASHINGTON (Reuters) — President George Bush may reschedule his trip to Japan, South Korea, Singapore and Australia for late next month or early January, Martin Fitzwater, the White House spokesman, said Friday.

"We hope to get it soon," Mr. Fitzwater said of the trip, which had been scheduled for this month but was postponed by Mr. Bush. "It's a possibility during that late December period, but I couldn't give it odds," Mr. Fitzwater said.

#### General News

Israeli police urged the indictment of a key Palestinian peace negotiator. **Page 2**

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AMR decided not to buy 93 planes in a blow to U.S. aircraft companies. **Page 7**

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#### Art

A breathtaking show of Japanese Kamakura sculpture is at the British Museum. Soren Melikian reports. **Page 6**

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# Mitterrand and Kohl Say EC Summit Is Last Chance for Unity

By Marc Fisher  
Washington Post Service  
BONN — President François Mitterrand of France and Chancellor Helmut Kohl of Germany said Friday that the European Community summit meeting next month is virtually the last chance to achieve the political and economic unity the 12 member countries have sought for decades.

Using strong language clearly intended to pressure Britain into joining others in giving up some national sovereignty to a united Europe, Mr. Kohl spoke of a "catastrophe for European development" if the Dec. 9-10 meeting in Maastricht, the Netherlands, fails.

Mr. Mitterrand said, "If Maastricht does not succeed, it could be the beginning of the end for the European Community." He added that a failure could be "an end of great hope and the beginning of nationalist competition."

The two leaders made it clear that the main obstacle to unity remained Britain, which is far more reluctant than other EC members

to cede more political and economic authority to a central European bureaucracy in Brussels.

"The answer is in the hands of the English," said a spokesman for Mr. Mitterrand, Jean Musitelli.

But the French and German leaders also tried to make it easier for Prime Minister John Major of Britain to accept European unity. Mr. Kohl said the Community need not spell out all details of its political unification this year, but rather must take steps that make progress toward a single European "irreversible."

Politicking over the nature and success of a European unity agreement has intensified in recent days. Both Mr. Kohl and Mr. Mitterrand have staked much on mapping out this year both European political union, including a common military and foreign policy, and economic unification, including a common central bank and eventually a single European currency.

Germany remains the most enthusiastic supporter of European integration, as Mr. Kohl showed

again Friday when, brimming with optimism, he poked fun at those critics who only a few years ago declared Europe "sclerotic."

Mr. Mitterrand was more cautious, saying that although he is committed to the goal, he is neither optimistic nor pessimistic about the prospects for European unity. The German enthusiasm stems from the popular view in Western Germany of Europe as a convenient way to shed the uncomfortable cloak of German identity and replace it with an international image unburdened by the past.

But the German push for European unity is also a result of the country's four decades of Western orientation and a realization that Germany's export-driven economy needs a united Europe for continued economic health and growth.

Mr. Kohl and Mr. Mitterrand unexpectedly failed to announce details of the mission, size and composition of their proposed French-German brigade, a military unit that would be the nucleus of a future European army. The French-German proposal has been greeted with skepticism in London and with pointed questions in Washington.

German diplomatic sources said the details of the brigade's composition were withheld not because of differences between the French and German negotiators, but because the two countries had agreed

it would be politically unwise to feed U.S., British and others' misgivings about the brigade at such a sensitive time in the European unification process.

Mr. Kohl and Mr. Mitterrand said in a joint statement that details of their common military project would be worked out in April.

Regarding the European debate over whether to recognize the independence of the breakaway Yugoslav republics of Slovenia and Croatia, Mr. Mitterrand said, "I don't think we should move quickly."

Mr. Kohl has said that Germany will not act unilaterally despite its long-standing desire to recognize the two republics. But earlier Friday, the German parliament unanimously passed a resolution calling for diplomatic recognition of Slovenia and Croatia.

An EC ultimatum demanding an end to the civil war in Yugoslavia expires Dec. 10 and many German politicians want Bonn to move immediately after to recognize the republics.

## Bonn Affirms Space Role

Agence France-Press  
BONN — Chancellor Helmut Kohl stressed Friday that Germany wanted to continue taking part in Europe's space program.

"Nobody has the intention of abandoning European space projects," Mr. Kohl said at a news conference after talks here with President François Mitterrand of France.

With a conference of the 13-nation European Space Agency scheduled for next week in Munich, Germany had said Thursday that it was postponing until next year a decision on its involvement in long-term European space projects.

Mr. Kohl said Friday that Germany would study the financing of these programs with its partners, but that nothing would be finalized until next year.

The main cause for concern as far as France is concerned is the Hermes project for a manned European spacecraft. Germany is responsible for 27 percent of the project's cost and France for 43.5 percent. Mr. Mitterrand said Friday that talks would continue in the coming months to determine what were the best scenarios for the European Space Agency and which countries should be involved.

## Shelling Spares Historic Sites In Dubrovnik

The Associated Press  
PARIS — The old city of Dubrovnik has suffered relatively little damage during artillery bombardments by the Serb-led federal army, a United Nations official said Friday.

Dubrovnik, which dates to medieval times, is on the World Heritage List that the United Nations Educational, Scientific and Cultural Organization established in 1979.

The UNESCO director-general, Federico Mayor Zaragoza, said that both Serbs and Croats had respected the 1972 Convention ensuring the protection of the world's most important cultural landmarks.

Mr. Mayor recently announced that UNESCO had received written and verbal assurances from both parties that they would not destroy the old city.

Mr. Mayor said two UNESCO observers were about to leave for Yugoslavia to establish an inventory of cultural and historical sites that have been damaged or destroyed by the warfare.

## Yugoslav Army and Croatia Agree on a New Cease-Fire

Compiled by Our Staff From Dispatches  
ZAGREB, Yugoslavia — The Yugoslav Army and Croatia agreed Friday on terms for a new cease-fire starting Saturday evening, a European Community official said.

Dirk van Houten, the head of the EC mission in Croatia, said the two sides agreed in talks in the Croatian capital of Zagreb that the truce should be arranged by military representatives.

Twelve previous cease-fires have failed to stop the fighting in Croatia, which began after the republic declared independence from Yugoslavia in June and its minority Serbs took up arms in protest.

Mr. van Houten said that the two sides had reaffirmed the terms of a cease-fire arranged on Oct. 18. Under this agreement, Croatia would allow troops to leave federal barracks that it is blockading on its territory, and fighting would stop.

"We are in agreement about the execution of the Hague agreement of the 18th of October on the question of de-blocking military garrisons and their evacuation from the territory of Croatia," Mr. van Houten said.

"We also agreed on the terms for a cease-fire to be arranged this time by military people and which will take into account troop movements," he said. The truce will go into effect at 6 P.M. Saturday, he added.

The vice president of Croatia, Mato Granic, and General Andrija Raseta of the federal army expressed optimism that the cease-fire would hold.

It also was not clear whether General Raseta was speaking for all forces in the Serb-dominated army, since earlier disagreements between generals indicated a split between hard-liners and others seeking compromises.

Meanwhile, fighting continued across Croatia.

In the eastern town of Osijek, federal artillery and mortar attacks were launched from Serb-held villages, Croatian military officials said. Federal forces also continued their offensive against the besieged town of Vukovar, where outnumbered Croatian defenders used land mines and sniper fire in attempts to halt the advance.

In the port of Split, three crew members on a ferry were killed when federal gunboats opened fire Friday, Croatian radio said. Dubrovnik, under siege by federal forces since Oct. 1, was quiet for a third day under a local cease-fire, the radio reported.

In another development, one of Yugoslavia's two chambers of parliament passed a vote of no confidence in Prime Minister Ante Markovic and Foreign Minister Budimir Loncar, Tanjug press agency said.

It said the Chamber of Republics and Provinces called for a new head of government after deputies criticized Mr. Markovic's handling of the crisis.

It was not immediately clear if Mr. Markovic would be stepped down, because the chamber is boycotted by most deputies from four of the country's eight republics and provinces, and because the Federal Chamber of parliament was not in session. (Reuters, AP)

## Gorbachev Ignored U.S. Coup Warnings

By R. Jeffrey Smith  
Washington Post Service  
WASHINGTON — The Bush administration provided three separate warnings in June to President Mikhail S. Gorbachev about a possible coup attempt against him, following a secret tip-off by the mayor of Moscow to the U.S. ambassador, U.S. officials have disclosed.

But Mr. Gorbachev, to the consternation of President George Bush and other senior U.S. officials aware of the information provided by the Moscow mayor, Gennadiy K. Popov, dismissed each of the warnings and confidently asserted that he would remain in office by politically disarming his foes, the officials said.

They said the repeated U.S. warnings to Mr. Gorbachev stemmed from greater anxiety about the fate of the Soviet leader than senior Washington officials acknowledged publicly between late June and the coup attempt by Soviet hard-liners in August.

Mr. Gorbachev this week acknowledged having received two U.S. warnings in June, one passed directly to him by Mr. Bush and the other communicated to the Soviet foreign minister, Alexander A. Bessmertnykh, by Secretary of State James A. Baker 3d.

U.S. officials said Thursday that both these messages followed a warning from the U.S. ambassador, Jack F. Matlock Jr., to Mr. Gorbachev at a Kremlin meeting on June 20.

During that meeting, Mr. Matlock told the Soviet president on orders from Washington

that he had received an "alarming report" of an imminent coup that would be backed by Soviet military and intelligence officials, the sources said.

Mr. Matlock did not reveal to Mr. Gorbachev the origin of the report and told the Soviet leader that Washington had no way of evaluating its reliability, according to one source.

It forecast the start of a coup at a specific time several days later. It also included the names of at least four of the Soviet officials who took part in the coup attempt in August, U.S. officials said.

Two of those named were the defense minister, Dmitry T. Yazov, and the KGB chief, Vladimir A. Kryuchkov, who are now in prison for their roles in the coup.

U.S. officials have declined to describe details of Mr. Popov's information or to explain why he passed it to Mr. Matlock rather than to Mr. Gorbachev.

One reason may have been a conviction by Mr. Popov that senior U.S. officials could reach Mr. Gorbachev with a private message more easily than he could.

Monitoring Mr. Gorbachev's Kremlin appointments at the time was the Soviet leader's chief of staff, Valeri Boldin, who is among those now accused of participating in the August coup. Mr. Boldin was not present during Mr. Matlock's meeting with Mr. Gorbachev.

Mr. Matlock's meeting was held during a period of unusually acrimonious debate in Moscow over a radical economic plan and a draft treaty for granting Soviet republics new governmental powers.

What officials said was an obvious effort to head off adoption of the economic plan, Mr. Gorbachev's hard-line prime minister, Valentin S. Pavlov, proposed on June 17 that the Supreme Soviet, the standing legislature, strip the president of power to issue decrees on economic matters.

U.S. officials said Mr. Matlock told Mr. Gorbachev in their meeting three days later that Mr. Pavlov's effort could be merely "the tip of the iceberg" and could be followed by more direct action.

Mr. Gorbachev responded that he appreciated receiving the warning, but considered such a coup to be highly unlikely. He told Mr. Matlock that "everything is in hand" and that a vote on Mr. Pavlov's proposal scheduled for the next day would overwhelmingly support retention of the president's decree powers, officials said.

That prediction proved accurate. Mr. Gorbachev induced Mr. Pavlov on June 21 to ask that the proposal be withdrawn, and the Soviet legislature voted 262 to 24 not to take it up. Mr. Pavlov is now imprisoned for alleged involvement in the August coup.

But Washington did not share Mr. Gorbachev's confidence that no coup would occur. Shortly after Mr. Matlock's warning, Mr. Bush telephoned the Soviet leader to emphasize it.

## NATO Cautions Ukraine on Plan to Create Army

By Michael Z. Wise  
Washington Post Service  
VIENNA — American and other NATO officials have met with a Ukrainian representative to voice concern about the republic's plan to create its own army.

In the informal talks with Yuri Kostenko, the Ukrainian delegate to United Nations agencies with headquarters in Vienna, some Western European states indicated that future recognition of, and financial aid to, an independent Ukraine would depend on how the republic handles issues related to the 22-nation treaty on Conventional Forces in Europe, diplomats said.

A Western negotiator who took part in the Vienna talks said, "It was made clear that it would be unfortunate, to put it mildly, if the Ukrainian government did anything which would put in question the entry into force of the CFE treaty, or took action with respect to the creation of republican defense forces which would raise new uncertainties or potential for instability."

Mr. Kostenko said he had told the Western delegates that his government was committed to the Conventional Forces accord and was looking for ways to make the commitment legally binding.

He also argued that a Ukrainian army would number about 0.8 percent of the Ukraine's 52 million population, well within established principles of "reasonable sufficiency" for military defense.

The Conventional Forces treaty was signed in November 1990 by the 16 members of the North Atlantic Treaty Organization and the six members of the now-dissolved Warsaw Pact, which included the Soviet Union. It requires Moscow to destroy thousands of tanks, artillery and aircraft.

To augment the agreement, which does not limit manpower, the 22 states are now seeking to set ceilings on the size of national armies.

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Kenyan Opposition Vows to Hold Banned Rally

Compiled by Our Staff From Dispatches  
NAIROBI — Opponents of Kenya's one-party government vowed Friday to hold an outlawed anti-government rally despite a crackdown by President Daniel arap Moi.

"The hour has come," said Masinde Muliro, a founding member of an opposition group, the Forum for the Restoration of Democracy. "The rally for democracy has come."

A rally has been called by the forum for Saturday in Nairobi. At least seven government critics were arrested in police raids on Thursday night, including a human-rights lawyer, Gitobu Imanyara, and a former vice president, Jaramogi Oginga Odinga, 80.

An eighth person, Martin Shikuku, a former member of parliament, was also reported by colleagues to have been detained, but this was not confirmed by the police.

Several more opponents were arrested in Kisumu in western Kenya.

Dissidents who escaped arrest fled into hiding, but issued statements urging supporters to attend the rally, raising fears of a replay of July 1990 when a similar call sparked nationwide riots in which several people were killed.

Paul Muite, chairman of the Law Society of Kenya, called on Mr. Moi to resign.

"If chaos and bloodshed is to be avoided the current government must resign and an interim appointed to oversee the transition to a multiparty system," he said.

The police have cordoned off the sports ground where the rally was to take place and sealed off approach roads, but Mr. Muite said the meeting would now take place "on the highways."

(Reuters, AFP)

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## WORLD BRIEFS

### Japan Calls Yeltsin Positive on Kurils

TOKYO (APF) — Japan on Friday welcomed a declaration by the Russian Republic president, Boris N. Yeltsin, signaling major concessions on the disputed Kuril Islands, the main obstacle to normal relations between Tokyo and Moscow.

Foreign Minister Michio Watanabe called Mr. Yeltsin's remarks "positive" in that they insisted on respect for international law in the case of the four islands of Japan's north coast that were seized by the Soviet Union at the end of World War II. The dispute has prevented the two countries from signing a peace treaty.

In an open letter to "the people of Russia," Mr. Yeltsin appealed for "understanding" on the Kuril Islands and said it would be "unforgivable" to accept a freeze in relations because of the absence of a treaty. A Yeltsin envoy is expected in Tokyo on Sunday.

### Gunmen Kill 3 in Northern Ireland

BELFAST (AP) — Three people were killed by gunmen overnight near here, and an incendiary bomb exploded early Friday in a large department store in East Belfast, causing minor damage but no injuries.

The attacks followed an announcement by Britain that it would recruit an additional 441 officers for the Royal Ulster Constabulary, the Northern Ireland police force, in response to an increase in political and sectarian violence in which several people have been killed in recent days.

The police said two Roman Catholics and a Protestant were ambushed by gunmen believed to be Protestant paramilitaries as they left the factory where they worked in Craigavon, southwest of Belfast. The police said the attackers believed all three victims were Catholics.

### Kuwait Eases Its Anti-Israel Boycott

KUWAIT (Reuters) — Kuwait has relaxed its boycott of Western companies who do business with Israel in a move to attract more bids to reconstruct the country in the wake of the Gulf war, a senior government official said Friday.

Ibrahim Ghanem, director-general of customs and excise, said Kuwait had "eased its boycott regulations and restrictions to remove a stumbling block in its cooperation with American and Western companies." Hundreds of Western companies have been seeking reconstruction contracts in Kuwait since the end of the war.

Diplomats said companies bidding for contracts under Kuwait's war recovery drive would no longer face so many detailed questions about commercial ties with Israel. Mr. Ghanem said, however, that companies with Israeli capital would still be barred.

### 6 Are Killed in South Africa Violence

JOHANNESBURG (AP) — Five people were killed in clashes in Natal Province and another died in an attack on train passengers in Johannesburg, the police said Friday.

The authorities said three African National Congress supporters died near the Natal town of Richmond, where white residents and the Inkatha Freedom Party have vowed to break an ANC boycott of white businesses. A clash between armed groups near the Natal town of Pinetown left two dead, the police said.

In Johannesburg, a gang attacked train passengers with guns, axes and machetes, killing one person and wounding seven at the city's central station. Three men were arrested after the attack Friday on the train, which was traveling from the black township of Soweto, the police said.

### Indian Politician Wounded by Bomb

NEW DELHI (Reuters) — A popular Hindu politician was seriously wounded and four people were killed Friday when a remote-controlled bomb thought to have been planted by Sikh insurgents exploded in the Sikh sacred city of Amritsar, news reports said.

In another bomb attack, two people were killed and two wounded in the southern Nandiyal district, where Prime Minister P. V. Narasimha Rao is running for Parliament on Saturday in a by-election.

In Amritsar, Baldev Prakash, the vice president of the Bharatiya Janata Party, narrowly escaped being killed by the bomb, which killed three of his bodyguards, the Press Trust of India reported. A passer-by was also killed. The bomb, placed inside a van, was exploded by remote control as Mr. Prakash drove down a crowded street in Amritsar.

### Senate Panel Backs Justice Nominee

WASHINGTON (Reuters) — The Senate Judiciary Committee unanimously approved William F. Barr's nomination as U.S. attorney general on Friday, sending it to the full Senate.

The eight Democrats and six Republicans on the committee voted for Mr. Barr, who was nominated by President George Bush on Oct. 16. The Senate is most likely to confirm Mr. Barr before Congress adjourns for the year, probably next week.

Mr. Barr, 41, has been deputy attorney general since May 1990. He became acting attorney general in August when Dick Thornburgh resigned to run for a Senate seat from Pennsylvania.

## TRAVEL UPDATE

### Transport Congestion Ahead, EC Says

FRANKFURT (Reuters) — Transport congestion in the European Community will increase as the single market takes shape after 1992, and little is being done now to deal with the problem, business and political officials said Friday.

Officials from the EC Commission, Britain and Germany agreed that intracommunity passenger transportation would rise by about 40 percent by the year 2000 and freight transport would climb by 25 percent.

Officials said coordination between rail, road, sea and air transport systems had to be improved. Rail systems in the EC are operated nationally — new high-speed trains in Germany, for example, will not fit into French stations. There are different air-control authorities in West Europe, using at times incompatible equipment.

### The Weather

Forecast for Sunday through Tuesday

Region	Today	Tomorrow	Day After
North America	A storm will unleash snow, ice and rain from the Great Plains to the Great Lakes, as all of the snow from the previous day will melt. Windy and cold. High 20s, low 10s. Rain and snow will melt. Windy and cold. High 20s, low 10s. Rain and snow will melt. Windy and cold. High 20s, low 10s.	The jet stream will dip well into southern Europe for the next few days, so all of northern Europe will be cold. London and Paris will see rain. Windy and cold. High 20s, low 10s. Rain and snow will melt. Windy and cold. High 20s, low 10s.	Tropical Storm Wilma will unleash downpours in the western Philippines before heading north. Heavy rain and strong winds. High 20s, low 10s. Rain and snow will melt. Windy and cold. High 20s, low 10s.
Europe	A storm will unleash snow, ice and rain from the Great Plains to the Great Lakes, as all of the snow from the previous day will melt. Windy and cold. High 20s, low 10s. Rain and snow will melt. Windy and cold. High 20s, low 10s.	The jet stream will dip well into southern Europe for the next few days, so all of northern Europe will be cold. London and Paris will see rain. Windy and cold. High 20s, low 10s. Rain and snow will melt. Windy and cold. High 20s, low 10s.	Tropical Storm Wilma will unleash downpours in the western Philippines before heading north. Heavy rain and strong winds. High 20s, low 10s. Rain and snow will melt. Windy and cold. High 20s, low 10s.
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## WORLD BRIEFS

**Yeltsin Positive on Kari**  
— Russian President Boris Yeltsin, who is expected to visit the United States next week, said he was "positive" about the possibility of a new treaty on international law in the area of space.

**Kill 3 in Northern Ireland**  
— Three people were killed by gunmen in a drive-by shooting in Belfast on Friday. The victims were a 19-year-old man and two women.

**ases Its Anti-Israel Boycott**  
— The American Friends Service Committee (AFSC) announced on Friday that it was withdrawing its support for a boycott of Israel.

**led in South Africa Violence**  
— A group of white supremacists in South Africa were charged with leading a violent demonstration in Johannesburg on Friday.

**lution Wounded by Bomb**  
— A group of revolutionaries in the Philippines were wounded by a bomb explosion in Manila on Friday.

**nel Backs Justice Nominee**  
— The Senate Judiciary Committee on Friday passed a nomination for a justice to the U.S. Supreme Court.

**RAVEL UPDATE**  
— The composer Maurice Ravel died on Friday at the age of 84.

**Congestion Ahead, EC Says**  
— The European Commission on Friday warned of congestion in the road network in the coming winter.

**EU Commission, Britain and Germany**  
— The European Commission, Britain and Germany agreed on Friday to a new agreement on the environment.

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## Stop Nuclear Trade And Free Prisoners, Baker Tells China

By Thomas L. Friedman

New York Times Service

BEIJING — Secretary of State James A. Baker Jr. opened talks Friday with Chinese officials, requesting that the Chinese cease any transfers of nuclear-weapon technology to such countries as Algeria and Iran and that it release some of the pro-democracy political prisoners.

A senior State Department official briefing reporters after Mr. Baker's first meeting with Foreign Minister Qian Qichen said the Chinese had given no concrete responses to the secretary's proposals.

While the official said American officials were not expecting responses immediately — at the start of three days of talks — she added that judging from what they had heard Friday night, they were not sure whether they would get any specific responses while Mr. Baker was in China.

Mr. Baker flew into Beijing from Seoul, and his Chinese escorts took his motorcade through Tiananmen Square on its way to the Diaoyutai State Guest House, where the secretary is staying.

This is Mr. Baker's first visit to China since he accompanied President George Bush here in February 1989. It is the first high-level visit by any U.S. cabinet official since the 1989 Tiananmen killings.

For Chinese leaders, the visit is a long-sought sign that they have largely recovered diplomatically from the 1989 crackdown, and provides an instant increase in legitimacy.

For the Bush administration, as well as for the future of U.S.-Chinese relations, much is riding on the outcome of the talks. If Mr. Baker leaves with nothing concrete to show for having come to Beijing, it would have added legitimacy to China's hard-line leaders, it not only will bring the Bush administration's China policies in for heavy criticism from Democrats in a U.S. election year, but also will spur moves in Congress to strip Beijing of its preferential trade benefits.

It is precisely for this reason that diplomats and many Chinese believe that Mr. Baker will not leave Beijing empty-handed.

Almost immediately after arriving, Mr. Baker held a four-and-a-half-hour meeting and working dinner with Mr. Qian. Neither Mr. Baker nor his Chinese counterpart would say anything about the talks, which continue Saturday.

A member of Mr. Baker's delegation, briefing reporters after the talks Friday, said Mr. Baker began by making an hour-long presentation of "things we would like to see" the Chinese undertake in the areas of human rights, missile and nuclear proliferation, and trade.

On the human-rights agenda, the official said, Mr. Baker several times raised what he called "the tragedy of Tiananmen Square," and then apparently requested that the Chinese agree to release some of the pro-democracy campaigners detained after the 1989 killings.

In the field of arms control, the American official said, Mr. Baker presented a series of specific proposals regarding Chinese transfers of nuclear technology or missiles to Pakistan, Syria, Algeria and Iran.

Before arriving, American officials said Mr. Baker would press the Chinese finally to sign the Nuclear Nonproliferation Treaty, which they have already agreed in principle to do, and to desist from going through with sales of M-9 medium-range missiles to Syria, M-11 short-range missiles to Pakistan, and to sign the Missile Technology Control Regime, an international accord that restricts the sale of the most lethal missiles.

In addition, Mr. Baker apparently raised with the Chinese recent intelligence reports indicating that China is selling nuclear technology to Iran and Algeria that could or is being transferred to military uses.

On the trade front, Mr. Baker is understood to have complained to the Chinese about their refusal to open to export adequate legislation to ensure that their companies will not steal U.S. intellectual property, such as computer software, patents and publications.

He also discussed the need for China to stop trying to export goods made by prison labor and to remove the myriad trade barriers that China has enacted in recent years and help account for the \$13 billion trade surplus it is expected to run with the United States.

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He also discussed the need for China to stop trying to export goods made by prison labor and to remove the myriad trade barriers that China has enacted in recent years and help account for the \$13 billion trade surplus it is expected to run with the United States.

Mr. Mitterrand, speaking in Bonn, where he was meeting with Chancellor Helmut Kohl, said the expulsion order would "not improve relations" between France and the coup leaders.

"From the start," he said, "our ambassador in Haiti tried to defend human rights and the law without getting directly involved in the country's affairs. He saved lives by giving asylum on embassy premises, notably to President Aristide, and this displeased the current authorities."



Galileo's portrait of Gaspra, with its multicratered surface.

## Haiti Expels French Envoy, Mitterrand Condemns Move

Compiled by Our Staff From Dispatches

PORT-AU-PRINCE, Haiti —

The provisional government of Haiti has ordered the expulsion of Ambassador Jean-Raphaël Dufour of France, sparking an angry reaction Friday from President François Mitterrand and increasing strains on the ties between Paris and its former colony.

Mr. Dufour, one of the key diplomatic protectors of President Aristide, was expelled during an army coup six weeks ago, was declared "undesirable" Thursday by the Haitian Foreign Ministry and given 48 hours to leave.

Mr. Mitterrand, speaking in Bonn, where he was meeting with Chancellor Helmut Kohl, said the expulsion order would "not improve relations" between France and the coup leaders.

"From the start," he said, "our ambassador in Haiti tried to defend human rights and the law without getting directly involved in the country's affairs. He saved lives by giving asylum on embassy premises, notably to President Aristide, and this displeased the current authorities."

"Our ambassador deserved congratulations, and I will not retract them," Mr. Mitterrand said. Haiti's Foreign Ministry said Thursday that the government had been forced to act after France failed to respond to a Nov. 8 letter requesting that the ambassador be recalled to Paris.

It demanded the recall after the envoy said in an interview that the soldiers who ousted President Aristide were "cowards who are ready to pack their bags and flee."

In Paris, a Foreign Ministry spokesman, Daniel Bernard, voiced concern for the safety of French diplomats and nationals and for several dozen Haitian politicians who sought asylum at the French Embassy after the coup.

Mr. Bernard indicated that France, although it does not recognize the army-backed government, could bow to the ultimatum ordering Mr. Dufour to leave.

"We have to take into account this new element in the attitude of the de facto authorities," he said. "We have security preoccupations extending to the whole French community, which is large."

Mr. Bernard said France was taking steps to ensure that its nationals would not be in danger.

Mr. Dufour personally intervened with the military to protect Father Aristide when the president was ousted. He provided shelter for weeks at the embassy for up to 20 Haitian backers of Father Aristide, including the ousted prime minister, René Préval.

Unconfirmed reports indicated that Mr. Préval and others might have moved this week to other embassies.

Father Aristide, a Roman Catholic priest, was elected with a huge majority last December in the country's first free elections. He took office in February.

Meanwhile, witnesses said that gangs — possibly members of security forces — had shot and killed a Haitian bodyguard to the U.S. ambassador and raped a female companion on Thursday. In another attack, 15 gunmen tried to raid the house of a chauffeur for the Venezuelan Embassy, but were unable to get in, local radio reports said.

(AP, AFP, Reuters)

## First Asteroid Close-Up: Lumps and All

By John Noble Wilford

New York Times Service

PASADENA, California — The first close-up photograph ever made of a rocky asteroid hurtling through the solar system has been made public by the National Aeronautics and Space Administration, marking a major success for the troubled Galileo space mission.

In a surprising reversal of fortune, flight controllers at the Jet Propulsion Laboratory here managed to coax enough data from the Galileo spacecraft, crippled with a stuck main antenna, to produce a single picture of the asteroid only two weeks after Galileo's rendezvous with it and a year earlier than expected.

The feat took unusually accurate navigation and clever use of the robot spacecraft's limited communications capability. The result was a sharp portrait of Gaspra, a gray, lumpy asteroid bearing the scars of a fractured imprint of a long and cataclysmic history.

To some of the excited scientists, Gaspra looked a little like the head of a salamander, or perhaps a shark with a dark crater for jaws. At any rate, the picture was the first triumph for

the troubled Galileo mission, whose ultimate destination is Jupiter in 1995.

"This bodes very well indeed for the remainder of the mission," said Dr. Wesley T. Huntress, NASA's director of solar system exploration.

After a week analyzing and refining the picture by computer, Dr. Michael J. S. Belton, the project's leader of photographic interpretation, concluded, "We have a very, very interesting object."

Dr. Joseph Veverka, a Cornell University astronomer, said Gaspra appeared to be the surviving chunk of a larger body that had suffered numerous collisions since the birth of the solar system 4.6 billion years ago. He estimated its size to be about 12 miles long and 8 miles wide (20 by 13 kilometers).

Judging by the number of craters poking its surface, some as much as a mile wide, Dr. Veverka said the last catastrophic collision to shatter the asteroid occurred 300 million to 500 million years ago.

The craters are sprinkled uniformly over the surface, which scientist said appeared to be covered by a layer of rubble and soil of undetermined depth.

Galileo took the picture some 34 minutes before it flew past Gaspra on Oct. 29. At the time, the craft was 10,000 miles from the asteroid, speeding in for a closer approach of 1,000 miles. The camera was able to detect surface features as small as several hundred feet in diameter.

About a dozen other pictures taken at closer range are expected to show three or four times more detail. Most of them will not be transmitted until next November, when Galileo is to loop by Earth before setting off on its Jupiter-bound course.

With the main antenna inoperable, a weaker antenna with an extremely slow rate of transmission must be used, and it cannot handle that volume of picture data.

At the encounter, Galileo and the asteroid whizzed out between the orbits of Mars and Jupiter, 205 million miles from the Sun and 255 million miles from Earth. This is a region known as the main asteroid belt, where most of these small objects are found. They are thought to be material that never was able to coalesce into a planet, and also fragments of colliding bodies.

## AMERICAN TOPICS

### When It Comes to Attacking, The Great White Is No Shark

The great white shark is a prudent hunter rather than the ultimate predator, according to John E. McCosker, a marine biologist at the California Academy of Sciences in San Francisco and co-author with Richard Ellis of "The Great White Shark."

He said that in a decade of observing great white attacks on seals in the shark-abundant "Blood Triangle" of the Pacific off northern California, he found that sharks attack gingerly, to make sure they are not up against something that can hurt them. They usually release their prey after a single bite, then wait until the victims have weakened from loss of blood before attacking again.

This may explain why, of the 60 or so shark attacks on humans in the past half-century, only six have been fatal. Victims of shark attacks stand a good chance of surviving if there is a companion around to help them ashore or to the safety of a boat after the initial bite. But if there is no one to help, and the victim cannot make it to shore alone, the shark will move in for the kill.

People with heart disease are three times as likely to die if they lack human contacts or sufficient income, according to a study by Redford B. Williams of Duke University. "If you are a patient with heart disease, and you have neither love nor

money, your prognosis is worse," Dr. Williams said. He said that people who were not married and had no one to talk to had three times the heart disease death rate of people who were socially isolated. Poorer people likewise had nearly three times the death rate of their wealthier counterparts. Poverty brings stress, he noted, and poor people are less able to afford medical care and are more likely to lack health insurance.

California has cracked down on parents who neglect to pay child support, and collections have gone up 14.3 percent during the past year, according to the state Department of Social Services. A spokesman said much of the increase is due to a law sponsored by state Senator Gary K. Hart (no relation to the former presidential candidate) that requires judges to order that child support payments be automatically deducted from paychecks.

The Caesar salad, notes the Los Angeles Times, takes its name not from a Roman leader but from an Italian hotelkeeper, Caesar Cardini, who created it in a Tijuana, Mexico, kitchen in 1924 and moved his business to Los Angeles in 1938.

At Christmastime, it can be harder to receive than to give, Ed Nemy writes in the "New Yorkers," column in The New York Times. People who love chocolate always get chocolate even if they might like something else for a change; people who are happy with their small collection of porcelain animals keep getting more; those who were too effusive in their thanks for a fruitcake receive yet another each year. What to do? Ms. Nemy suggests that sometime during the year (but not too close to Christmas) you "subtly put friends straight: You're cutting down on chocolate; the fruitcake you once adored is now palling; the animal collection is getting out of hand."

Arthur Higbee

### U.S. to Rescue Sockeye Salmon

Reuters

SEATTLE — The National Marine Fisheries Service has listed the Snake River sockeye salmon as an endangered species, in a move seen as likely to have a widespread economic impact on the Northwest.

A recovery plan includes restoring the fish's spawning grounds and increasing the water flow over dams to help the salmon during its migration. From Dec. 15, it will be illegal to kill or harm the fish.

U.S. officials said that to save the species from extinction, everyone in the states of Washington, Oregon, Idaho and Montana who depend on the Columbia and Snake rivers for irrigation, shipping and hydropower would have to make sacrifices. A plan is being devised to spread around the cost of the program.

## The Polls Say Edwards, The Wisdom Says Wait

By Peter Applebome

New York Times Service

NEW ORLEANS — The polls say Edwin W. Edwards, but the voices in the air say don't count out David Duke.

After coming from behind and building an unusual coalition of blacks and business interests, Mr. Edwards now appears within reach of victory, perhaps by a comfortable margin, political experts say.

How the issues play out will be known Saturday, when a record turnout is expected in the last act of a searing political drama that has entranced and sickened voters in Louisiana and the United States.

In the final week, the campaigns were as different as the candidates — one, Mr. Edwards, a three-time Democratic governor twice tried and acquitted on racketeering charges; the other, Mr. Duke, a

lifelong racial extremist now running as a mainstream Republican.

Mr. Edwards concentrated his energy in New Orleans, where he held a rally on Thursday night. He spent heavily on television commercials and coordinating a well-oiled old-style political machine and get-out-the-vote operation.

Some supporters and analysts say Mr. Edwards sent a questionable message by telling voters that his polls and three public polls issued this week indicated that he had the race won.

"It's a very dangerous thing for him to do," said Joe Walker, a New Orleans poll taker. "He's used to politics as they've always been: If you're winning, you're on the bandwagon. But that doesn't apply in this kind of election where you've got two candidates that more than half the people don't want."

## 2 Stasi Officers Given Suspended Terms for Spying

Reuters

MUNICH — Two officers of East Germany's Stasi secret police received suspended prison sentences Friday for treason in the first trial of Stasi members since the unification of Germany last year.

A Bavarian state court gave Major-General Harry Schitt a two-year suspended sentence, and Lieutenant Gunter Böttger received one of 14 months.

But the court gave long jail terms to Western German contacts who passed them secrets from the former West German Federal Intelligence Service, or BND.

Alfred Spuhler, a BND worker, was given 10 years for treason, and his brother Ludwig, who acted as a courier to the Stasi officers, was sentenced to five and a half years in prison.

## Cambodia Bars 'Deleting' of the 1970s

By Philip Shenon

New York Times Service

PHNOM PENH — The patina of reconciliation among long-warring Cambodian factions eroded further on Friday when Prime Minister Hun Sen rejected suggestions that the government dismantle memorials marking atrocities committed in the 1970s by the Khmer Rouge and its paramount leader, Pol Pot.

"History is history; you cannot delete it," said Mr. Hun Sen, who has joined in a United Nations-sponsored power-sharing arrangement with the Khmer Rouge and two other guerrilla factions.

"Whoever would like to implement a policy of destroying or dismantling these sites that mark the genocide of Pol Pot and the Khmer Rouge is implementing a new policy of genocide," he said.

Mr. Hun Sen was referring to recent news reports that the Khmer Rouge would soon seek the closure of memorials at Tuol Sleng, a Khmer Rouge interrogation and torture center in Phnom Penh, and Cheong Ek, a Khmer Rouge ex-

termination camp on the outskirts of the capital, where thousands of Cambodians and a handful of Westerners were bludgeoned to death and buried in mass graves.

Meeting with reporters at a ceremony Friday to mark the return from exile of another guerrilla leader, Prince Norodom Sihanouk, Mr. Hun Sen made it clear that he and his government were prepared only with the greatest reluctance to accept the Khmer Rouge as part of a new Cambodian government.

In fact, his scathing comments about the Khmer Rouge bolstered a theory widely accepted among diplomats here that Mr. Hun Sen and Prince Sihanouk, the former Cambodian monarch, are working together to prevent the Khmer Rouge and another, much smaller guerrilla group, the Khmer People's National Liberation Front, from assuming any substantial power in the new government.

The Khmer Rouge was responsible for the deaths of up to 2 million Cambodians from execution, starvation or disease during its four-year reign of terror in the 1970s. While it claims to have aban-

doned the Marxist ideology espoused when it held power in Phnom Penh, the Khmer Rouge has never acknowledged responsibility for the mass murder that its army unleashed in Cambodia.

Mr. Hun Sen, a former Khmer Rouge military commander, defected to Vietnam in 1978 and was installed in his current post by the Vietnamese after they overran Phnom Penh.

## Seoul to Discuss Timetable For U.S. A-Arms Removal

Reuters

SEOUL — South Korea said Friday that it would discuss a timetable for the withdrawal of American tactical nuclear weapons when Defense Secretary Dick Cheney arrives next week.

"We plan to discuss the timetable for the withdrawal of nuclear weapons kept by U.S. troops stationed" in South Korea, Defense Minister Lee Jong Koo said.

"If there are any nuclear arms in South Korea, we will remove them in the shortest time and then declare the nonexistence of nuclear weapons," a spokesman quoted him as saying.

Such a move would remove a pretext which North Korea has raised in refusing international appeals to permit outside inspection of its nuclear plants. The United States, South Korea and Japan fear the North is trying to build a bomb, something it denies.

President George Bush announced plans in September to withdraw tactical nuclear arms from Europe and South Korea, and President Roh Tae Woo declared last week that his country would be nuclear-free.

## Tony Richardson, Filmmaker, Dies

By James Barron

New York Times Service

Tony Richardson, 63, who won an Oscar for the film "Tom Jones," died Thursday of complications of AIDS in Los Angeles.

His career began in 1953, when he joined the BBC, directing such productions as "Othello" and "Dostoevsky's 'Gambler'."

In 1955, he followed a colleague, George Devine, to the newly formed English Stage Company, the Royal Court Theatre, first as associate artistic director and then as joint artistic director.

The first play he directed had

been rejected by every agent who read it — John Osborne's "Look Back in Anger." With the play's success he became identified as one of England's "angry young men."

Transplanted to Broadway in October 1957, the play ran for more than 400 performances and won the Drama Critics Circle Award as the best foreign play of the year.

Mr. Richardson and Mr. Osborne decided not to sell the screen rights of "Look Back in Anger" to a major studio. Instead, they started a company of their own, Woodfall Film Productions, to produce the film, which opened in 1959 with

Mr. Richardson as director and a cast that included Richard Burton and Claire Bloom.

Perhaps his best known film was "Tom Jones," an adaptation of Henry Fielding's novel about a young man's life in 18th-century England. "I wanted to get away from the rainy, industrial cities of the North," Mr. Richardson said. "I wanted something full of color and fun and it suddenly hit me that 'Tom Jones,' which I'd loved since childhood, was it."

"Tom Jones" won three Oscars: best picture, best screenwriter and, for Mr. Richardson, best director.

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# INTERNATIONAL Herald Tribune

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## The Choice for Beijing

The Bush administration's China policy faces a major test as Secretary of State James Baker holds a weekend of high-level talks in Beijing. The administration needs Chinese help in international efforts to halt North Korea's reckless rush toward nuclear weapons, but the Chinese are reluctant to give it. The issue is urgent.

President George Bush has rightly called Pyongyang's nuclear program the "greatest threat to regional peace." A nuclear-armed North Korea would not only menace its neighbors but would almost certainly set off a nuclear arms race in East Asia.

China unequivocally opposes North Korea's development of nuclear weapons. But on Thursday, the Chinese foreign minister expressed reluctance to join the United States, Japan, South Korea and the Soviet Union in a high-profile campaign against a fellow Communist state.

Mr. Baker's visit offers a chance to change minds at the top. Success would justify the Beijing stop, whose wisdom has been questioned by human-rights groups. Failure would challenge the administration's conciliatory approach toward China. In hopes of exerting influence in Beijing, Washington has gone out of its way to nurture diplomatic ties despite differences over human rights, weapons proliferation and trade.

After the revelations about Iraq's secret nuclear bomb program, no one is inclined to underestimate North Korea's shrouded undertakings. Pyongyang signed the Nuclear Nonproliferation Treaty in 1985, but refuses to allow international inspection of its nuclear complex at Yongbyon, as the treaty requires. More worrisome, it appears to be building a reprocessing plant capable

of producing weapons-grade plutonium. Some specialists now believe that North Korea is within two years of being able to construct nuclear weapons.

Mr. Bush has wisely tried to organize a tough diplomatic response. The minimal need is for international inspection of all nuclear facilities and a halt to work on the reprocessing plant. The world's experience with Iraq proves there is no effective military way to stop The Bomb. Israel's attack on the Osirak reactor in 1981 merely drove Iraqi bomb-makers underground; not even all the Desert Storm bombing missions were able to flush them out.

One fear that may originally have spurred North Korea's efforts — the implicit threat from U.S. nuclear weapons in South Korea — is no longer a factor. Mr. Bush has announced the withdrawal of ground- and naval-based U.S. tactical nuclear weapons from the South. And just last week South Korea renounced any intention to develop nuclear weapons.

North Korea's response has been unsatisfactory. Though it is hardly entitled to concessions in return for allowing inspections to which it is already committed, North Korea insists on new preconditions while spurning confidence-building gestures.

The diplomatic campaign needs to be intensified. China, a reluctant participant in past anti-proliferation efforts, may be inclined to behave more responsibly in its own backyard. By using its influence to coax North Korea off the nuclear path, China could actually help its ally find enhanced security, through dramatically improved relations with Washington, Tokyo and Seoul.

—THE NEW YORK TIMES.

## Berlin's 100-Mile Archive

Once the new German government decided against the outright destruction of the 6 million dossiers compiled by East Germany's secret police, the confrontation between the German people and their Communist inheritance became inevitable. The understandable fear of opening old wounds or triggering witch-hunts and recrimination has been pitted against the demonstrable need to ventilate defamatory charges, to challenge hearsay, slander and lies, and to vindicate the innocent where possible and to know the truth.

The German parliament has just passed a law allowing citizens access to their own files. That much is good. The measure also seeks to control if not curb press access to the Stasi collection, by imposing jail terms on journalists who use secret police information without government permission. That goes too far. Limiting press freedom serves to worsen rather than to dispel the climate of mistrust that the organization's legacy has created.

Reportedly, if the files in question were lined up in a row, they would stretch over 100

miles (160 kilometers). That would represent a staggering archive of people who have collaborated with the secret police, often by spying on friends, co-workers, neighbors and relatives. Forty years of government intrusion have left a bitter residue of surveillance reports, telephone taps, postal intercepts — and hatred and pain. In the short period since East Germany collapsed, several German officials have had their careers cut short by disclosure of their Stasi ties.

Therefore, it is not surprising to hear occasional calls to forget the past or call off the investigations or clamp down on an inquiring press. As more victims gain access to their files, and as an aggressive and vigilant press does its job, Germans undoubtedly will discover the identity of more informants and operatives, some of whom may be prominent citizens in the new Germany. That is an unpleasant prospect, but an unavoidable and necessary outcome. And that is especially so, if a unified Germany expects to face the truth about its dark inheritance.

—THE WASHINGTON POST.

## Trade: Half-Steps Add Up

After a year of deadlock over farm subsidies, the worldwide trade negotiations are moving again. It is slow motion, but it is motion. President George Bush sat down with his European counterparts last weekend at The Hague, and much hard pushing by both sides produced the glimmer of a hope of a compromise.

Success there will do more for the American economy during the next decade than any of the more visible bills and bright ideas over which the president and the U.S. Congress are now loudly quarreling. The United States is counting on rising exports to revive its economic growth. If these negotiations — the Uruguay Round of trade talks — fail, the outlook for American export-led growth will not be good.

The key issue is price supports for farmers, particularly in Europe. The European Community has its supports much too high, producing far more than it can consume or sell abroad at market prices. To get rid of its surpluses it has been dumping them — subsidizing sales and driving down prices for all producers. Too many countries subsidize farm products, including the United States. But while the United States spends about \$1 billion a year on such subsidies, the

European Community spends \$14 billion. European farmers have been very effective in defending their subsidies not only with their ballots but, in France, with violent riots. Their governments have not been eager to confront them. But the export subsidies have done a lot of damage to other producers, including the United States and many countries in the Third World. Without restraints on European dumping, the Third World countries say that they will not go along with these issues in the Uruguay Round that the industrial countries want and need: respect for their patents, for example, and market access for their service industries. Without curbs on dumping, there will be no Uruguay deal.

But the European Community recognizes that its farm subsidies have become unbearably costly and will have to be curbed for purely fiscal reasons. At The Hague, both the Europeans and the Americans took half a step toward common ground. A wide gap remains, and nothing is assured. But if you want to see U.S. exports and the American standard of living rise in years ahead, you have reason to welcome this evidence that at least the long deadlock is broken.

—THE WASHINGTON POST.

## Taking the Time to Test

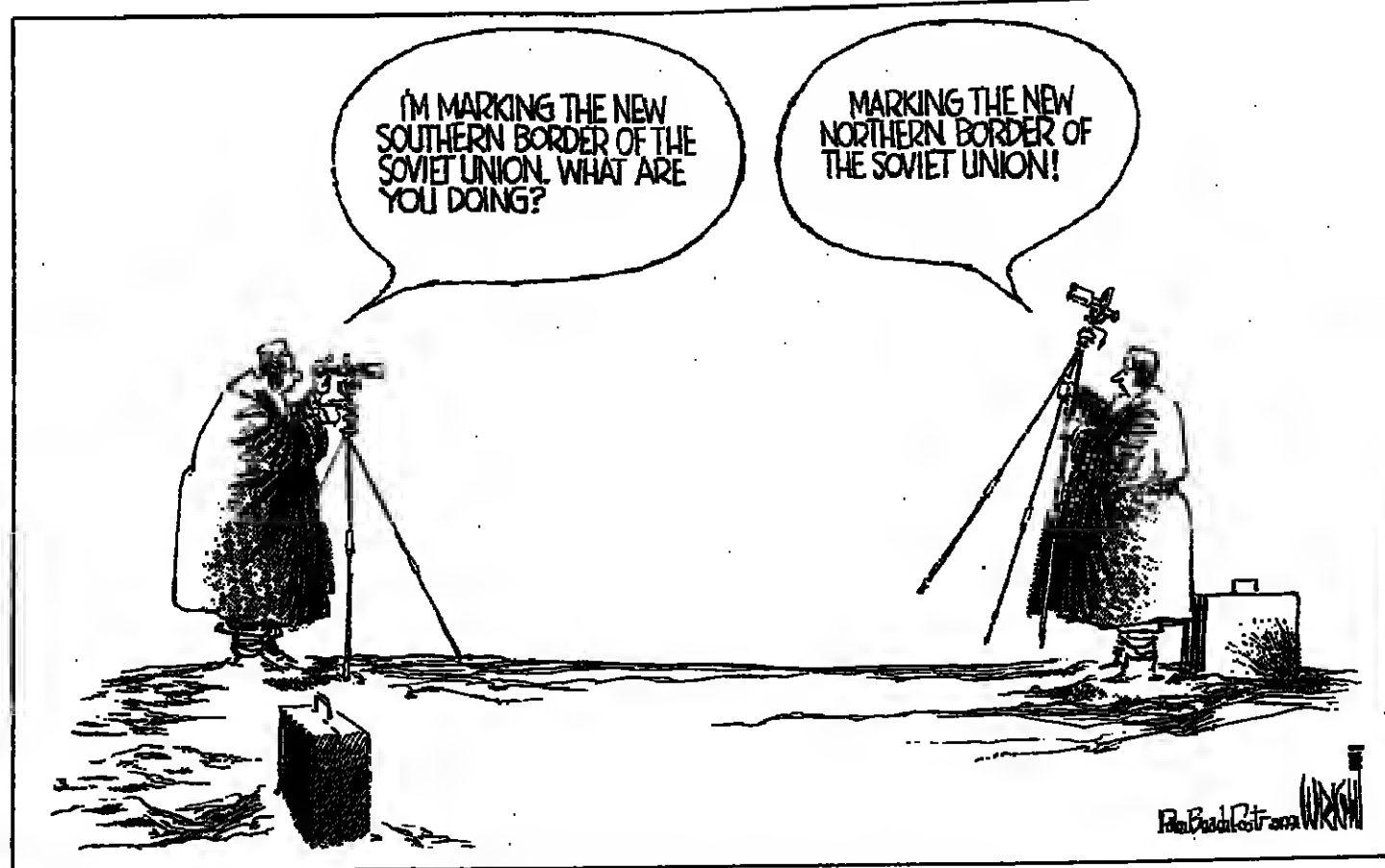
The AIDS epidemic has already affected the way the U.S. government regulates testing and approval of new drugs, and it now seems certain that it will force a re-examination of drug pricing practices. Procedures used by the Food and Drug Administration to test and approve new products used to take years. The specter of thalidomide — the tranquilizer that caused birth defects and was kept off the American market by FDA scientists — demonstrated vividly that it was worth taking the time to forestall disaster. But AIDS changed that, because time is so critical in treating this fatal disease. Drugs used in the treatment of AIDS are tested on a fast track.

Now people suffering from other maladies have questioned FDA procedures that they say keep safe and effective drugs off the market for too long. That questioning suited the industry fine; it has long complained about the exacting nature of the FDA approval process. This week the White House

Competitiveness Council, led by Vice President Dan Quayle, responded with a proposal to overhaul the drug evaluation process and eliminate years of testing. AIDS groups applauded, but legislators and scientists warned against changes that would farm out some FDA work to the private sector.

It is true, as Dr. David Kessler, head of the FDA, notes, that the government cannot hire all the expert pharmacologists in the country, but it is also true that many individuals in this select group, including many in academia, have ties to the industry that would constitute conflicts of interest. We would be more confident about the impetus behind these proposed changes if they came from health experts rather than from a White House group whose primary responsibility is to help American industry compete abroad. That is an important goal but, in the pharmaceutical industry, far less important than protecting the public health.

—THE WASHINGTON POST.



## How Castro Can Help Preserve the Revolution's Gains

By Jorge G. Castañeda

HAVANA — Going beyond the usual, superficial, and often misleading speculation about Cuba's future is perhaps the most daunting task any visitor to the island faces. How long Fidel Castro will last is, understandably, a favorite topic, but this is not necessarily the only question, or even the most important one that the revolution poses today.

Viewed from a historical, hemispherical perspective, Cuba's advancement under Mr. Castro is impressive: in education, health and the eradication of extreme poverty, in the people's sense of dignity and the relative social homogeneity that contrasts so vividly with the way broad sectors of the population are excluded elsewhere in Latin America. The key question is whether these achievements will outlast socialism, the revolution and Fidel Castro.

The experiment that began Jan. 1, 1959, is in its most serious economic, political and ideological crisis. The economic crisis is the most obvious; it can be seen and felt in the streets and homes of Havana. It is a creature with many fathers. The first was the end of the Soviet subsidy, which was probably larger and more

decisive than most people, including the Cubans, suspected. That was compounded by the Soviet Union's dramatic failure to honor its post-subsidy commitments. Mr. Castro told the Fourth Communist Party Congress last month that the Soviet Union had delivered only 38 percent of the goods it agreed to send by Sept. 30.

With the exception of a few isolated sectors, such as biotechnology, tourism and citrus, the island's economy is close to total breakdown. Work motivation, productivity and economic mechanisms collapsed as the revolutionary mystique faded over the years.

Cuba is also sinking because of the U.S. embargo, the consequences of which have become more severe with the loss of the Soviet lifeline.

Part of this is self-inflicted: Inefficiency, corruption and dogmatic respect for mistaken principles explain a great deal. So does the revolution's inability to profit from three decades of Soviet subsidy to become self-sustaining (although other small, highly subsidized nations under siege, such

as Israel, have not managed this transition either). But another part is external in origin: Few economies could survive a complete, virtually overnight suspension of trade and financing with their main partners.

*There is only one way — for the island's sake, the old man must step down.*

and an economic embargo on the part of their closest neighbor. Cuba is collapsing, quite logically.

The economic policy mapped out to deal with this debacle is actually rather sensible. For the first time, Mr. Castro has a coherent economic program that would capitalize on Cuba's comparative advantages — its natural beauty, fertility and weather, and the expertise of thousands of highly trained scientists, engineers, doctors and professionals — and trade for the rest. Agriculture, tourism, medicine and biotechnology, backed by for-

## The Stain of Hatred: How Duke Fits In

By C. Vann Woodward

NEW HAVEN, Connecticut — Whatever the outcome of the gubernatorial election in Louisiana, American democracy has already suffered a stain.

It remains to be seen how deep the stain grows and how wide it spreads. The best we can do in the meantime is to try to place the David Duke phenomenon in historical perspective and present-day context. The world's oldest continuous democracy has suffered many stains before and has survived them all.

How does this one compare for depth, likely durability and dire portents? Is it more ominous or less?

The first response of many Americans will be a shrug of the shoulder and a jerk of the thumb southward. Isn't that where all such things come from?

What such people have in mind are a lot of vaguely recalled demagogues scattered through the past century, all from the lower South: the region that stretches from South Carolina to Texas. Starting with Pitchfork Ben Tillman of Carolina, these figures include the rabid populist Populist Tom Watson of Georgia, Tom-Tom Heflin of Alabama, White Chief Vardaman of Mississippi, Jeff Davis "Dix" of Arkansas, Kingfish Huey Long of Louisiana and Pappy O'Daniel of Texas.

The theory of geographical determinism to explain political degeneration has enjoyed some support from selective statistics on literacy, school dropout rates, homicides and voter turnout. All of which is comfortably compatible with elitist conceptions of the lower South as the dump heap for the cultural sludge and toxic waste of continental America.

There is also the lower South's deserved reputation as the main entrepot for all sorts of foreign pests, from the boll weevil to the killer bee.

Perhaps one firm spot by the most powerful hand in the country (if not in the world) might have done in this latest pest from Louisiana. But, alas, the hand of the swifter carried on force or authority.

For it was not Mr. Duke who gentrified political racism, denied political motives for racial policies, origi-

nated the code word "quoting" and raised and then banished Willie Horton.

We appear to be driven to the conclusion that we are dealing with a national, not a regional, phenomenon.

Looking once more to the past, this time of other regions, we may recall that the reborn Ku Klux Klan of the 1920s, far more politically potent than its Southern prototype, had its largest state organization in Indiana. And incidentally, Senator Joseph McCarthy did not represent a Southern state, and the city of Skokie, where neo-Nazis paraded, is not in Louisiana.

It is unlikely that the thousands of voters who will cast their ballots for Mr. Duke have been suddenly converted into Hitlerites or Klan members.

They are more likely descendants of Huey Long's followers who are as frustrated and angry over their plight as were their parents and grandparents over theirs, and as desperate for a way to express their feelings.

That does not make David Duke a replica of Huey Long. Mr. Long differed from others in the lineup of demagogic talent and they all differed in style and program. But there is a still wider contrast between all of them and Mr. Duke: He came along well after the rise and fall of fascism and full disclosure of its atrocities and their significance for the "Christian values" he now professes.

It is doubtful that any of his Southern forerunners could have quite so cynically scrambled sacred religious and political symbols and carried followers along. Mr. Duke may already have gone too far, judging from the detection of a staff member this week.

As a conspicuous model for a score or more of brand new democracies and would-be democracies in the Old World, the oldest democracy in existence is burdened with a number of embarrassments.

Compared with those originating at a much higher level, those of which Louisiana seems capable appear minor. But they sure won't help.

The writer is professor emeritus of history at Yale. He contributed this comment to The New York Times.

## Waking Up to the Hidden Harassment

By A. M. Rosenthal

NEW YORK — When I was a boy, I would announce to my mother my latest startling sociological findings, some of which she believed any boy with one eye and half a brain should have known long before — like how white people tend to be mean to black people. On those occasions she would look at me in mock wonder and say: "Look at him. He is discovering America, a regular Christopher Columbus."

In the past few weeks, the whole country has been hugging itself in self-admiration for making two discoveries — that most American women do not care to be regarded as meat and that men and women can give each other AIDS.

It took a smash senatorial television show to lead Americans to the first discovery and the announcement by a sports hero of courage and eloquence to wake them up to the second. I wonder how much longer they would have waited to make the land-sighting about AIDS had the basketball player been a grouchy, mumble-mouthed bench-warmer — another decade maybe.

And I wonder how long it will be before Americans look up and discover that in every city every day, on the streets, at places of work, in restaurants and theaters and schools, acts of sexual harassment take place by the score that go unnoticed and unremarked upon except by the victims — and even they often take the abuse and keep silent.

Harassment and assault of gays and lesbians is an illness in American society. What will it take to

recognize it and try to treat it by legal medicine?

Most AIDS sufferers are homosexual, and unprotected sex between gay men is a common method of transmission of the virus — in the United States, in Africa and Asia, AIDS is chiefly heterosexual. But Americans insisted until Magic Johnson went on the air that it just "did not happen here."

Sometimes I hear it said that harassment of gays is growing because many gay men have AIDS — a piece of merely rationalization. People do not suddenly become anti-Semites because some Wall Street swindlers are Jews. That allows them to come out with the bigotry that had been cooking in them. The AIDS epidemic provides the excuse for gangs that like to beat up people to roam the streets looking for gays.

Nor is it justification for looking the other way to say some gay activists can get unforgivably ugly themselves. I detest the harassment by some gays — the "outing" of gays who prefer to keep their sex lives private, the threatening screams at heterosexuals they dislike for political or other reasons, which sometimes includes me.

But to encourage or disregard violence against a whole group because you dislike how some of them act up is a disease in itself. It brought us David Duke, the violence of Crown Heights, and it is bringing us the harassment,

beatings and murders of gays.

The only good journalistic job I have seen on gay-bashing is in the November issue of The Advocate, a gay and lesbian magazine. Day by day it details just one "Month of Hate," August 1991. On Aug. 10, for instance, one gay man is beaten in Boston; another in Denver; four in Chicago; in three incidents, a gay bookstore is vandalized in Minneapolis; in Los Angeles, men in two cars chase a man leaving a gay bar; another is beaten in San Francisco, and in New York three gays are assaulted in full public view.

Reports about gay-bashing rise, but statistics do not mean much; most cities do not keep separate records. In cities like New York that do, the police are the first to say that far more harassment takes place than the victims are willing to report.

And in Houston, a policeman tells what he has learned. A gay was beaten to death with nailed clubs. The police put a sting operation out in the streets — officers posing as gays. Fifteen arrests were made in two weeks and the policeman said this to The Houston Post:

"You see what they go through on the streets out there, just for being who they are."

For all Americans to learn that, we may have to wait until some famous and admired American is shown on TV, beaten to a pulp but with enough strength to raise his head, smile and say with the charm and courage required of victims: "This happened because I am gay."

The New York Times.

## The Mideast: Economics Of Peace

By Hobart Rowen

WASHINGTON — Can economic realities accelerate peace in the Middle East?

Although there is no prospect of dramatic change overnight, the history-making conference in Madrid has raised the real possibility that some sort of détente may be achieved between Israel and the Palestinians.

This has been credited, in part, to the arrival of a sophisticated new generation of Palestinian leaders. But their moderation stems largely from a tacit acknowledgment that the Palestinians' desperate economic plight cannot be alleviated until their political relationship with Israel changes.

It thus becomes possible to believe that, even if Israel and Syria continue their Cold War, the U.S.-launched peace initiative might yield real economic benefits to the region.

How significant might such benefits be? A cautiously optimistic view comes from two economists: Patrick Clawson of the Foreign Policy Research Institute, a former staff member of the World Bank and the International Monetary Fund; and Howard Rosen of the Institute for International Economics, formerly with the Bank of Israel.

In a paper published by the Washington Institute for Near East Policy, the two men say that while economics alone will not dictate the outcome of the peace process, action on economic issues "may actually keep the process alive and enable it to succeed."

They advocate a regional compact allowing free trade and the free flow of labor and capital among Israel, Jordan and a self-ruling Palestinian entity to "maximize incomes throughout the region." Their pattern would be the Benelux system, linking Belgium, the Netherlands and Luxembourg.

A gloomier perspective comes from a specialist on Arab economies, Yehuda Sadovskii, a senior fellow at the Brookings Institution. In an article published by the Overseas Development Council, Mr. Sadovskii says that without more financial help from the rich Gulf states or the United States, "economic conditions in most low and medium-income Arab countries seem likely to deteriorate."

Mr. Sadovskii's article was completed before the Madrid conference, but he said his conclusion stands: "There will be economic benefits from peace, but they are being exaggerated."

"The idea of free capital movements was more attractive at the time of the Camp David agreement, when the Middle East was a rich capital region. But now it is not — that is one of the things that has happened since the Persian Gulf war."

Mr. Sadovskii believes that the Clawson-Rosen proposal for the Israelis and Palestinians is too much of a "leap directly into a European-style union." A higher priority, and one that would offer greater economic benefits, he believes, would be to sharply reduce military budgets in the region.

The Clawson-Rosen article does not directly counter Mr. Sadovskii's argument, but focuses on the fact that the Israelis, Palestinians and Jordanians "are already connected by a web of intricate and overlapping economic relationships" that make it impossible to divorce economies from politics.

The logical step after Madrid is to continue the talks between the Israelis and the Palestinian-Jordanian group along the lines of the Camp David accord calling for Palestinian self-rule for a transitional period. As a former Israeli ambassador to the United Nations, Gideon Rafael, wrote (IHT, Nov. 13), "The other side has implicitly agreed to this."

The obstacles are great, and are not ignored in the Clawson-Rosen study. Israel and Jordan could return to a pre-1967 "peaceful nonrelationship," they say, but the Palestinians could not. Mr. Clawson and Mr. Rosen cite an estimate by the Palestinian economist George Abed that \$23 billion would be needed to absorb Palestinian immigrants, reduce reliance on the Israeli labor market, and finance the building of refugee housing.

They make another interesting observation: In a Benelux-style economic arrangement, the Israelis would be freed from some of their fears of invasion and could moderate their drive for West Bank settlements. In terms of population density, the two men write, "there is nothing to suggest that Israel would actually require additional land to absorb" new Soviet immigrants.

Mr. Rosen also believes that the Israelis might eventually be persuaded to withdraw from some settlements in the West Bank. That idea will be rejected by many Israelis.

But hard and fixed ideas can change. It is, after all, the Middle East. The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1891: The Flag of Peace

PARIS — The Peace congress in Rome is busily listening to addresses. Most of the delegates are women so it will be some time before the Congress finishes. An American delegate has presented a white flag, bearing in its center the American eagle. The American flag has been, during the last hundred years, conspicuous in a series of wars. A much more appropriate banner could be made of drab cloth with a Quaker bonnet to symbolize the non-resistant teachings of the Quakers and the prominence of women in the effort to abolish war.

### 1916: On the Home Front

PARIS — The French Government says: "We ask Parisians to economize fuel and light. If other sacrifices are called for, we feel certain that they will be faced courageously to second the efforts in the trenches."

LONDON — The Government is preparing a bill for the general mobi-

lization of the labor forces. The law will give the Government wider powers and will deprive workers of the protection of the trade unions.

PARIS — A French editorial says: "Germany's hopeless situation is betrayed by her decision to press into the army or the army reserves all the valid adult population. It is the last reckless throw of a despairing gambler."

### 1941: Hands Off Japan

TOKIO — [From our New York edition:] Premier General Hideki Tojo outlined Japanese demands today [Nov. 17] for settlement of the Pacific crisis in a Diet speech. He stressed forcefully the necessity of preventing a spread of the European war to the Pacific. Chief among the Premier's demands were an end to the British-American blockade of Japan, a halt to what he called military encirclement and restoration of normal trade. The other main stipulation was that others keep hands off Japan's settlement of the conflict with China.

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## ART

Saturday-Sunday,  
November 16-17, 1991  
Page 6

# Breathtaking Buddhist Art

**L**ONDON — Major art shows that reveal works not previously seen outside their repositories and provide new insights into a whole culture are rare. "Kamakura," called after the Japanese town where the samurai took over from the old aristocracy and set up a new form of political organization that lasted more than a century, until 1333, is just such a landmark.

Even to those well acquainted with the Buddhist art of Japan, the 55 sculptures are a breathtaking surprise. One might travel a lifetime without getting more than a glimpse of some of the Buddhas and temple guardians, perched high up or tucked in recesses in the dim lighting of shrines. Seen together in the pres-

SOUREN MELIKIAN

tation of the British Museum through Nov. 24, devoid of gimmickry, grand in a dignified simplicity befitting an art that calls for silence and respect, they build up a royal avenue of Buddhist art more impressive than anything seen in years in any museum.

The contributors to the catalogue, starting with Tsuneaki Kawamura, commissioner of the Agency for Cultural Affairs in Tokyo, dwell on the "realism" of the new art that came in with the warrior class under the shogun Minamoto Yoritomo. It made, Kawamura believes, "Buddhist images... somehow more human," adding triumphantly that "it is a significant point in world art history that Japan focused on realism in art in an age before the Renaissance occurred in Europe." This ignores Gothic realism at the same period (Benedetto Antelami, Giovanni Pisano), but that is another story.

**W**HAT is indeed striking is the interest in three-dimensional portraiture that suddenly came out in Japan around 1200, and poured on every cause. One of the earliest pieces, a standing figure of one of the "Eight Great Youths" done by Unkei in 1197, does not have much about it that suggests religious orientation, its theme notwithstanding. The broad round face with fleshy mouth, the nearest squint, self-consciously preened hair with locks foppishly curling up and an expression of strutting jollity are undoubtedly observed from life.

Although a great deal is known about Unkei's life and work, and that of many of his contemporaries, of which Victor Harris and Ken Matsushima give a fascinating account, there still are no clues as to why or how this naturalism burst into a world that had been regulated by canon, like all great religious art. Occasionally, it led to curious discrepancies within the same work. Unkei's standing figure of "Taishaku Ten" has impeccably symmetrical features, unruffled by any wrinkle, its half-



Wood carvings of the priest Chogen in his 80s, above, and the military deity Shukongo Shin, far left. Left, the bronze of Tateyama Shin, cast in 1230.

closed eyes cast down in contemplation. The face is a timeless archetype. But not the body, which seems to be swaying and moving forward, as if carried by a surging tide of life. "Realism," with its concern for the trivial and the anecdotal, does not quite describe it. Expressiveness might be a better word.

It comes out strikingly in the statue of a young man walking briskly, his torso bent forward, all drapes fluttering as he turns to make the Buddhist gesture of salute. Done in 1203 by Unkei's father, Kokai, the expressiveness is superbly suited to the Buddhist myth the statue illustrates—that of the rich young man setting out in search of knowledge and visiting in turn 55 holy men, his expression a nice mix of respectful attention and hurried self-assurance.

Perhaps the ultimate in the new use of expressiveness is found in two statues of temple guardians with monstrous faces done by Kaikei, a member of the mystical Pure Land sect and a friend of the priest Chogen. Engaged in restoration work at the Todaji Temple at Chogen's request, Kaikei drew much of his inspiration from eighth-century sculpture. The two models, which go back to Chinese Tang prototypes, are transformed by the natural movement of the hips in both figures and by the carefully rendered musculature in one. As the stylized ferocity of the eighth century is toned down, the brutality is enhanced, a marked tendency in Kamakura art.

It reaches a peak in a pure portrait, that of Minamoto Yoritomo, achieved through facial expression and, above all, through sculptural form. The massive body spreading into space with rigid, angular, almost geometrical shoulders and enormous thighs projecting sideways is as powerful an evocation of a conquering condottiere as any.

What gives Japanese art its originality at that moment is its ability to perform simultaneously in registers that are not usually compatible. While the search for naturalistic expressiveness characterized one trend, timeless archetypal figures were produced by other sculptors.

One of the most remarkable works in the show is the bronze statue of Tateyama Shin, an elongated male in robes coming down to the feet, staring ahead. Long bands of vertical inscriptions lightly incised on the robe down to the pedestal record its casting in 1230 in a temple on Mount Tateyama, one of the sacred mountains of Japan in Shinto, the "native" Japanese form of worship that preceded Buddhism. The statue ignores realistic proportions and disregards detail. The drapes are more like beautiful calligraphic lines. One is reminded of the statues of the Virgin Mary in the cathedral at Chartres.

Within the same generation, an anonymous master sculpted the portrait of Donsho Kishii which could be called a monument of Japanese classicism. It is "realistic" in that it is impossible to tell if the figure is a deity or a man. The seated body, calling to mind the image of a human mountain of which the head is the peak, reduces naturalism to a secondary element, a tool of spiritual expression. At that moment, Japanese art bridged the abyss between the transcendent and the worldly.

This is one last revelation in one of the most important exhibitions ever to come out of the Orient.

tion, the eyes not quite regularly set, a light with intelligence intensely focused on some ineffable reality, are unforgettable. Executed around 1259, it is eight years from the 1230 Shinto deity.

But so too is the portrait of another monk, the great Chogen, executed earlier, probably in 1201, when he was over 80. Exhaustion can be read in the wrinkled face, with its eyebrows raised high, one eyelid drooping, and deep furrows coming down on either side of the month, as the old man stares fixedly. It has the moving power of Rembrandt's self-portraits in old age. And yet, the ascending rhythm of the seated body, calling to mind the image of a human mountain of which the head is the peak, reduces naturalism to a secondary element, a tool of spiritual expression. At that moment, Japanese art bridged the abyss between the transcendent and the worldly.

This is one last revelation in one of the most important exhibitions ever to come out of the Orient.

## Reality Kills, Estimates in N.Y. Sales

**C**ONTEMPORARY Art is holding out better than pessimists were expecting but at prices well below the unrealistic heights reached in 1989-90.

Tuesday in New York, Christie's main sale, including the wanted paintings from the Tremaine estate, totaled \$13.9 million. Hardly any lots exceeded the high estimate, and most went for the low estimate or less, starting with the star, "Device Circle," by Jasper Johns. This sold for \$4.4 million, against the \$5-million-to-\$7-million estimate. Marc Blondeau, formerly of Sotheby's, and a leading expert and broker in Impressionist and 20th-century art, says "this is the right price even if it bears no relationship to the record established at the height of the market, which to me made no sense."

William de Kooning's "Willie Borehouse" and well at \$2.09 million, but far less than the \$2.5-million-to-\$3.5-million estimate. The worst fashions affected two artists who were objects of intense speculation in the last two seasons. Cy Twombly's "Nim's Painting," estimated at \$2.5 to \$3.5 million, fell at \$1.3 million. Frank Stella's "Kingsbury Run," with the same estimate, was unsold at \$1.1 million, as were three other paintings.

For Christie's, which had guaranteed a minimum price to the vendor, the outcome looks grim. With \$7.2 million worth of paintings unsold (a third of the gross total), it must have fallen far short of the guarantee — its undisclosed amount is bound to have been fairly close to the low estimate. Christie's will thus find itself owning undesired paintings which it will have to sell in the next few months. It may break even, but more likely, will lose a substantial amount.

Sotheby's had a better sale the next day, netting \$244 million with a failure rate of "only" 28 percent in value. A world record, was set for George Baselitz at \$1.1 million, underlining, Blondeau comments, the vigor of the market for German Contemporary art.

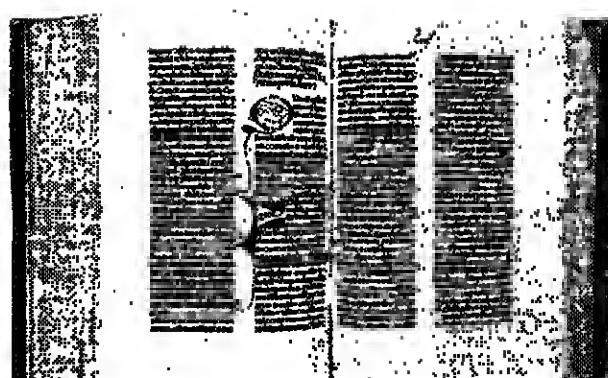
De Kooning's "Woman," of 1953, from a much sought series, climbed to \$3.41 million. The growing point was a Jasper Johns "Julius," of 1959, a vintage year, which made \$4.94 million, the middle estimate. Lucy Mitchell-Lines, director of Sotheby's Contemporary art department, said Sotheby's was "delighted."

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### AUCTION SALES

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CHRISTIE'S



Bamberg: Albrecht Pfister, ca. 1459-60

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### EXHIBITIONS

Tradart Brussels S.A.: November 25 - 30, 1991

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Tradart New York Ltd: December 5 - 7, 1991

575 Madison Avenue, suite 1006, New York, N.Y. 10022

tél: (1.212) 605.01.58 - fax: (1.212) 308.98.34

Tradart Genève S.A.: December 9 - 11, 1991

29 quai des Bergues, 1201 Genève

tél: (41.22) 731.38.31 - fax: (41.22) 731.45.90

**auCTION sales**  
— IN FRANCE —

**DROUOT RICHELIEU**  
9, Rue Drouot, 75008 Paris - Tel: 48 00 20 20.

**Sunday, November 16**  
Rooms 1 and 7 at 2 p.m. - IMPORTANT MODERN PAINTINGS, Dessau, Dubuffet, East, Foujita, Picasso, Saura, Van Drogen. M. LOUDMER, 45, rue La Fayette, 75009 Paris. Tel: (1) 48.78.89.89 - Fax: (1) 48.78.91.00.

**Friday, November 22**  
Room 3 at 8:30 p.m. - PHOTOGRAPHICAL TERRITORIES OF SCULPTURE I, 1899-1990. Exhibition: Thursday, November 21 from 2 p.m. to 6 p.m. and Friday, November 22 from 11 a.m. to 6 p.m. M. VINCENOT, 18, rue de Valenciennes, 75008 Paris. Tel: (1) 42.25.38.78 - Fax: (1) 42.36.11.21.

**Monday, November 25**  
Rooms 1 and 7 at 2 p.m. The 19th CENTURY: PAINTINGS, FURNITURE, OBJETS D'ART. Exhibition: Saturday, November 24, from 11 a.m. to 6 p.m. - M. LOUDMER. Tel: (1) 48.78.89.89.

**Monday, December 2**  
Room 5 at 2 p.m. OBJETS D'ART - 18th CENTURY AND EMPIRE PERIOD FURNITURE, LA SAVONNIERE AND AUBUSSON CARPETS. - M. RIBEYRE-BARON, 5, rue de Provence, 75009 Paris. Tel: (1) 42.46.00.77 - Fax: (1) 42.23.22.92.

**Room 1 and 7 at 2 p.m. OLD MASTER PAINTING, BEAUTIFUL FURNITURE ARCOLE - 52, rue Taitbout, 75009 Paris. Tel: (1) 48.74.18.94.**

**Friday, December 6**  
Rooms 3 and 6 IMPORTANT FURNITURE AND DECORATIVE OBJECTS PRINCIPALLY OF THE 18th CENTURY. - M. COUTURIER-NICOLAY, 10, rue de l'Université, 75007 Paris. Tel: (1) 49.27.02.14 - Fax: (1) 49.27.02.73.

**DROUOT MONTAIGNE**  
15, avenue Montaigne, 75008 Paris - Tel: 48 00 20 80.

**Thursday, November 28**  
At 9 p.m. - FORMER COLLECTION OF MAURICE RAYNAL - Gels, Picasso, Braque, AS WELL AS IMPRESSIONIST AND MODERN PAINTINGS, R. Delany, Dubuffet, Hesse, Glines, Huxley, Lemaire, Lipchitz, Matisse, Mene, Picasso, Valentin. - M. BREST, 24, avenue Montaigne, 75008 Paris. Tel: (1) 42.68.11.30 - Fax: (1) 42.68.12.67.

**PROVINCES**  
**89000 AUXERRE**  
Sunday, November 24  
At 2:30 p.m. IMPORTANT MODERN PAINTINGS - SCULPTURES. M. Alain SINEAU, 21, avenue Pierre Larousse. Tel: (33) 86.32.17.98 - Fax: (33) 86.31.66.74.

## A Trove of Brilliant Manuscripts

By Michael Gibson  
International Herald Tribune

PARIS — Reverence, to be sure, but also bitter controversy, censorship and brutal repression have constantly escorted the Bible through the centuries. Two dazzling exhibitions at the Bibliothèque Nationale, one, "D'une main forte," of Hebrew manuscripts from the French collections, the other, "Dieu au son royaume," of French biblical manuscripts and publications from the 13th to the 18th century, bear witness to this truth.

The collection of Hebrew manuscripts includes nearly 150 items ranging from the 1st to the 19th centuries; the earliest being minute fragments from Qumran and a single sheet of paper of about the 8th century on which an invocation in Hebrew was written by an unsophisticated, pious Jew, and which was discovered at the turn of the century in a cave in China.

After the destruction of Jerusalem in the 1st century, a gap of eight centuries speaks volumes about the circumstances in which the Jewish communities in exile then lived; but the precariousness of their existence in later years is also constantly brought to mind by the rarity of successive, priceless documents: in 1242 King Louis IX (Saint Louis) ordered the destruction of all copies of the Talmud in his kingdom. One that survived in shown here.

In 1492 Ferdinand and Isabella expelled the Jews from Spain. A Hebrew Bible, copied and lavishly illustrated in Lisbon shortly before 1496, and subsequently completed with Christian miniatures by a 16th-century Italian hand reminds us that, in the interval, as a condition for the marriage of the Spanish Infanta with the king of Portugal, the Jews had also been expelled from Portugal.

In 1656 Shah Abbas, desiring to convert the Jews to Islam, had all Hebrew manuscripts in his kingdom destroyed. A Judeo-Persian manuscript which has vanished.

The Hebrew manuscripts also include books on astronomy, surgery, botany, Arabic versions (in Hebrew script) of books by Aristotle and Averroes and beautifully ornate copies of medical treatises by Avicenna, all of which attest the Jewish role in the survival of scholarship.

There is a measure of pathos in a number of books mutilated by Christian censors, in which entire passages of commentaries unflattering to the Christians have been defaced in black ink.

But perhaps the most unusual aspect of the exhibition is the micrographic ornamentation of some of the manuscripts — for instance, a splendid 15th-century copy of the Pentateuch. Micrography consists in lines of lettering so minute (written with the aid of a magnifying glass), that the text is no longer legible, the letters blending into a single, slightly fuzzy, ornamental line which, in this example, forms a beautiful and extremely intricate web.

Violence, however, was not visited exclusively on Jewish writings, and the second exhibition reveals the complexity of the history of Scripture in the religious devotions



Details from a 14th-century Hebrew parchment book.

manuscript of Genesis, brought back by a Florentine traveler 50 years before the auto-da-fé, thus survives by mere chance. A prayer book composed in Lithuania in 1613, and bearing stains of fat, wax and wine that attest to its daily use, stands as a lone reminder of a community which has vanished.

The Hebrew manuscripts also include books on astronomy, surgery, botany, Arabic versions (in Hebrew script) of books by Aristotle and Averroes and beautifully ornate copies of medical treatises by Avicenna, all of which attest the Jewish role in the survival of scholarship.

One of the most singular documents in the exhibition is a manuscript written in 1577 and describing, in 266 illustrated folios, the Passion Play given in Valenciennes in 1547, in which structures representing Heaven and Hell (the latter infinitely more theatrical than the former), surround six other sets representing sites of the Holy Land and even a sea with a ship sailing upon it. The play (not one of your puny modern ventures that last at best a mere nine hours), took 23 days to run its course.

Things grow more complicated, however, with the invention of the printing press and the coming of the Reformation, particularly as Catholics and Protestants began to fire broadsides at one another. Numerous documents in the exhibition touch upon this period of strife, some beautiful, some of historical interest.

Two excellent catalogues complete these two independent but complementary shows (which run to Jan. 15) and give some intriguing insights into this fundamental, much neglected aspect of Western cultural history.

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From November 5 - 29

GALERIE MAURICE GARNIER  
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Souvenirs d'Italie  
6, av. Matignon - Paris 8<sup>e</sup> - Jusqu'au 30 novembre

WASHINGTON — The Air and Space Museum in Washington has opened "Legends, Memory, and the Great War in the Air," a new permanent exhibition on World War I aviation.

While previous exhibits focused on the hardware of war, this one emphasizes the human and sociological side. The romantic side portrayed in wartime propaganda posters and postwar movies is contrasted in films, pictures and graphics with the reality of the war.

Among the aircraft on display are Germany's Fokker D.VII, the D.Va, Pfalz D.XII; France's XIII and Britain's Sopwith fighter planes and the French sin VIII bomber.

Douglas Fairbanks Jr. made a short film on Hollywood's dramatization of the air war which continuously at the exhibition.

### CURRENCY RATES

Currency	Unit	Rate
Australian Dollar	A\$	1.54
Belgian Franc	Fr	66.67
British Pound	£	163.63
Canadian Dollar	C\$	1.36
French Franc	Fr	6.55
German Mark	M	1.36
Italian Lira	L	2036.37
Japanese Yen	¥	163.63
Netherlands Guilder	fl.	1.80
Portuguese Escudo	E	200.48
Spanish Peseta	P	166.67
Swiss Franc	Sfr	1.50
Swedish Krona	Kr	1.36
U.S. Dollar	\$	1.00

### INTEREST RATES

Rate	Term	Rate
3-month	3%	3%
6-month	3.5%	3.5%
1-year	4%	4%
2-year	4.5%	4.5%
3-year	5%	5%
5-year	5.5%	5.5%
10-year	6%	6%

### Money Rates

Rate	Term	Rate
3-month	3%	3%
6-month	3.5%	3.5%
1-year	4%	4%
2-year	4.5%	4.5%
3-year	5%	5%
5-year	5.5%	5.5%
10-year	6%	6%

### Insurance Deposits

Rate	Term	Rate
3-month	3%	3%
6-month	3.5%	3.5%
1-year	4%	4%
2-year	4.5%	4.5%
3-year	5%	5%
5-year	5.5%	5.5%
10-year	6%	6%

### By Money Rates

Rate	Term	Rate
3-month	3%	3%
6-month	3.5%	3.5%
1-year	4%	4%
2-year	4.5%	4.5%
3-year	5%	5%
5-year	5.5%	5.5%
10-year	6%	6%







## MARKET DIARY

## Bundesbank Comment Sends Dollar Reeling

Bloomberg Business News

NEW YORK — The dollar plunged against the mark after the president of the Bundesbank made anti-inflationary comments Friday, and traders forecast further declines on fears about the U.S. economy.

## Foreign Exchange

rent annual inflation rate of 4 percent was unacceptable. He said his policy was for price stability, which he defined as an annual rate of inflation of not more than 2 percent.

"There were really no decent bids after that," said Jerry Egan, chief dealer at Bank of Boston.

The dollar fell more than a penny, to 1.6190 Deutsche marks from 1.6299 DM.

Mr. Schlesinger's comments raised expectations of an increase in German interest rates, which undermined the dollar, according to Earl Johnson, vice president for foreign exchange with Harris Bankcorp. He predicted the dollar would likely fall to 1.6 DM within a week.

Paul Darmody, currency analyst at Nikko Bank in London, said all the U.S. economic news in the past

week showed an anemic economy and increased pressure on the Federal Reserve Board to lower U.S. interest rates. As it becomes clear to long-term investors that there is not going to be much of a U.S. economic revival next year, analysts said, dollar selling will persist.

The decline Friday was less marked against the yen, with the dollar slipping to 129.350 from 129.625. But against other European currencies, the dollar fell to 1.4355 Swiss francs from 1.4465 and 5.5345 French francs from 5.5720. The pound rose to \$1.7850 from \$1.7765.

Gold also rose against the dollar, up \$4.40 an ounce, to \$360.10. It was boosted by reports that Soviet export licenses could be revoked, traders said.

The dollar had been higher in earlier European trading, but analysts said this was caused by technical factors. The dollar had held above 1.6250 DM on Wednesday and Thursday, finding buyers at that level. Traders who had bet against the dollar therefore began to close out their positions, not wanting to be exposed over the weekend, and this boosted the currency before Mr. Schlesinger's statement.

## DOW: New York Stocks Plunge

(Continued from page 1)

started piling up again and rose 0.6 percent in September, the Commerce Department reported. That was the first gain since a rise of 0.5 percent in January, when business stalled during the Gulf war. Most of September's gain took place in automobile showrooms and retailers' shelves.

The Federal Reserve Board reported that industrial production was unchanged in October after a slight gain of 0.2 percent in September and a decline of 0.1 percent in August. A small gain of 0.3 percent in production of consumer goods last month was counterbalanced by declines in the production of durable goods, construction supplies, and automobiles, which fell 2.1 percent after surging 13.9 percent for the new model year. The utilization rate of U.S. factories fell marginally from 79.8 percent in September to 79.6 percent in October.

To a regional survey of a major northeast industrial area, the Federal Reserve Bank of Philadelphia reported a 4.5 point fall in its index of business activity this month to 66.9 percent, the fourth consecutive monthly decline in the index.

The University of Michigan reported a continuing and sharp drop in consumer confidence during the first half of November, when the index consumers' expectations of economic conditions dropped from 70.5 to 62.9, and general sentiment also dropped from 78.3 to 70.7.

Glaxo Holdings paced the Big Board session, falling 2% to 29.

AT&T followed, dropping 1% to 37%.

Horace Mann Educators Corp., a new issue, was third, unchanged at 37%. The Springfield, Ill.-based insurance holding company offered 14 million shares of common stock at \$18 a share.

## The Dow

Daily closings of the Dow Jones Industrial average

100

200

300

400

500

600

700

800

900

1000

1100

1200

1300

1400

1500

1600

1700

1800

1900

2000

2100

2200

2300

2400

2500

2600

2700

2800

2900

3000

3100

3200

3300

3400

3500

3600

3700

3800

3900

4000

4100

4200

4300

4400

4500

4600

4700

4800

4900

5000

5100

5200

5300

5400

5500

5600

5700

5800

5900

## Dow Jones Averages

Open High Low Last Chg.

Indus. 129.350 129.625 129.350 -0.275

Transp. 129.350 129.625 129.350 -0.275

Finance 129.350 129.625 129.350 -0.275

Commod. 129.350 129.625 129.350 -0.275

Energy 129.350 129.625 129.350 -0.275

Health 129.350 129.625 129.350 -0.275

Tech 129.350 129.625 129.350 -0.275

Telecom 129.350 129.625 129.350 -0.275

Media 129.350 129.625 129.350 -0.275

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# SYRIA

سوريا

## SYRIA UPDATE:

# Opening the door for new business

The winds of change have been blowing through the political and economic corridors of Damascus as Syria pushes open the door for a new phase in its economic development. This is mirrored by its recent political stance in striving for a Middle East settlement at the Madrid talks. Since it sided with the coalition forces in the Gulf War and its long, protracted negotiations to help secure the release of many hostages held in Lebanon, Syria hopes that it will be viewed in a new light by the west, if not politically, certainly from an economic stance. With the lifting of embargoes and boycotts, Syria has been carefully preparing the ground for the future and seeking new friends.

The demise of old-style communism and socialism in Eastern Europe, particularly the break-up of the USSR, has been quietly absorbed by the government of President Hafez Assad. The days of a completely centrally planned economy are taking a back seat. "But we still have a new five-year plan to highlight the direction in which we would like to go," said one Economic Ministry director. The seventh plan for 1991-96 is still under preparation.

However, it is the change from state dominated industry to greater private sector involvement, which is going to set the pace for 12 million Syrians who have been under the socialist umbrella for more than a generation. President Assad, leader of the Ba'ath Party (or Correctionist Party), has been making some astute corrections to the way he would like the economy to develop. This has not been done suddenly or overnight.

Both ministers and private sector leaders say that under Syria's own particular brand of socialism forged by President Assad, there has always been room for some manoeuvring or "flexibility" — the preferred description. Mr Mohammad Salman, Minister of Information, is bullish about the variety of opportunities for expansion particularly in many industrial sectors — particularly in agribusiness, food processing and pharmaceuticals.

During the last three years a certain amount of deregulation and relaxation of rules has been taking place to encourage more involvement by the private sector which had been stifled in the past. With key industries — oil, textiles and sections of the agribusiness largely in the hands of the state together with a central purchasing price-fixing philosophy for basic commodities and goods — development has been slow.

"In fact we are still at the threshold of industrialization," says Mr Badreddin Challah, President of the Damascus Chamber of Commerce.

Now an investment law has been introduced to encourage the private sector set up new companies with foreign capital, either on their own account, or as mixed capital companies with some state involvement. The law, which came into operation last May, allows the repatriation of foreign capital and profits and provides a wide range of incentives. Its preliminary objective is to attract back to Syria some of the \$75 billion (some say it is more) of foreign currency held by Syrians outside the country.

Many of them are highly successful business men, some from the elite Damascus and Aleppo merchant families, who felt a loss of confidence in their country under socialism.

"We hope that initially some of these people will respond to what we are doing. And I think the evidence shows that there will be a change now," said Mr Zouheir Taghlibi, director of the new Investment Office. Under the Investment Law No. 10, about 70 new companies, including joint ventures and mixed capital companies, have been approved



A dramatic poster of President Hafez Assad over one of the entrances to the covered bazaar in Damascus old city

with a total foreign exchange capital input of more than \$177 million. Many other projects are in the pipeline.

A sensitive outstanding problem is that of foreign exchange controls which are slowly being liberalised. There have been a number of various exchange rates for different purposes — customs duties attract one rate (currently \$ = LSR 42), hotel rooms are charged at \$ = LSR 19.2, and the official rate at the Commercial Bank is \$ = LSR 45. All fluctuate slightly. The aim in the not too distant future is to rationalize the system and have a floating exchange rate against the dollar.

"We would like to have this single exchange rate determined by market forces. I hope this might be achieved possibly by the end of 1991," says Professor Salim Yassin, Vice Prime Minister for Economic Affairs.

Syria is strapped for foreign exchange which has crippled much of the original planned development. Some of its international debt has been cancelled but it still owes the World Bank some \$500 million. It is receiving substantial development funding for certain industrial and civil engineering projects from the Kuwait Fund and other Arab-based funds. Military spending accounts for 50 percent of the annual budget and everyone is hoping that there may be changes in this sector in the foreseeable future which would greatly ease the overall situation. "Of course, we have had to allocate part of our resources to defense spending, but when

the risks which we are facing decline, we shall then be able to redistribute some of these resources for other purposes," adds Professor Yassin. While the investment sector is being opened up and deregulated, much remains to be done to the banking system which is entirely state dominated. There is also an admitted need for tax reforms. Discussions have been taking place about introducing some form of offshore banking, perhaps in one of the free zone areas to help finance certain forms of joint venture. According to Dr Mohammed Imady, the Minister of Economy and Foreign Trade, there is going to be a new investment bank. There is also a distinct possibility that foreign banks may be allowed into Syria, probably on a joint-venture basis although no time scale has been indicated.

"I don't think we will see any great changes in our banking system yet. But we do need to modernize it — we really need a revolution in the banking sector," added an outspoken Dr Imady who believes that the domestic political stability which has been achieved, particularly since 1982, augurs well for the future development of the country. "Voices can be heard and we have now been able to preserve dignity and respect for the individual in our society which has been engendered by our collective leadership," he says.

The brightest light on the horizon is in the oil and gas sector which has undergone a rapid expansion in the last two years. Present production is between 475,000 and 500,000 barrels a day, climbing to at least 600,000 b/d by the end of next year.

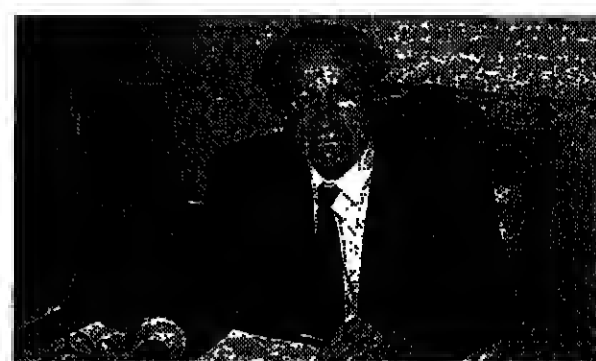
Oil export revenues have more than doubled since 1987 and are expected to bring in some \$5 billion gross this year adding a healthy increase to the trade surplus which was \$1.8 billion last year. Total exports were \$4.2 billion and imports, \$2.3 billion.

Agriculture, which is largely in the hands of the private sector as opposed to agribusiness, is expanding rapidly into a self-sufficiency mode as more and more land comes under cultivation. This follows the increase in irrigated land which now totals 863,308 hectares. By the end of next year another 136,000 hectares will be added.

Another potential area for expansion which is completely untapped is the development of tourism. Because of the overall political situation in the region, tourism, except for the local Middle East market, is totally unexploited. Syria has a wealth of archaeological sites and heritage from past civilizations unmatched by most Arab countries with the exception of Egypt.

While tourism has been in the doldrums the industry itself has been quietly working away establishing the basic infrastructure ready for when tourism can begin. Most of this has been done by the private sector, some in partnership with the government. The local Syrian Arab Company for Tourism Establishments (SYRITEL) has a chain of 17 luxury hotels and tourist complexes covering the country. In addition there are hotels run by international groups like Meridien and Sheraton.

During the early 1980's there were few international class hotels near any of the traditional archaeological sites — Palmyra, in the central desert region, Hama or Apamea. All



Dr. Mohammad Imady, Minister of Economy and Foreign Trade: We need a revolution in our banking system.



The ancient 'Noria' or waterwheels on the Orontes River at Hama, one of Syria's best known tourist attractions.

that has now changed and the tourist can travel in new air-conditioned buses and stay in comfort at any number of luxury hotels. If, and it is still a big question mark, the political situation changes for the better, Syria's tourist industry could become a major contributor to foreign exchange earnings, perhaps by as much as \$2 to \$3 billion by the middle of the decade.

"Everything is ready to go, we have the hotels, we have the local transportation, it is all there," says an optimistic Dr Osmane Aidi, chairman of SYRITEL.

Aside from the macro-political issues of the region, Syria is now poised for economic development. The scene has been set, there is creeping liberalisation and a determination by both the government and the increasingly dynamic private sector to try to make the best of the new market economy which has been gradually introduced. It all now depends on whether Syrians and other overseas investors are prepared, and confident enough, to participate in building the new Syria. If so, Syria could be at the threshold of another economic era.

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This special advertising feature was produced by Attijar and written by Michael Frenchman, it did not involve the reporting or editing staff of the International Herald Tribune.



A newly-built 'noria' (waterwheel) at Qal'at Sheizar, just north of Hama. The noria are still used for irrigation in this region.



# The Free-Market School, and Its Hard Knocks

## Cram Course In London for East's Bankers

**Reuters**  
LONDON — Where does a communist-ruled East European state banker go when he needs to learn free market techniques? One answer is the Bank of England.

The bank has opened a center for central banking studies for emerging market economies in a discreet building behind St. Paul's cathedral in London.

"The center aims to show what a central bank does in a market economy and what approach it takes in a market context," said Michael Hewitt, the center's director.

The trainees, about half of whom are women, are between 30 and 40 years old and are seen by their state banks as potential governors and deputy governors.

The course is aimed mainly at East and Central European states and Soviet republics, but Commonwealth countries will be invited. So may Vietnam and Mongolia.

The trainees "are invariably highly intelligent, well educated, keen to learn and a pleasure to teach," Mr. Hewitt said. They already know the theory of markets; the course teaches practicalities.

A terse curriculum lists three points: pursuit of price stability, integrity of the financial system, and removal of impediments to efficiency in the financial markets. It adds: "We accept that not all central banks would accept this last subject."

Oldrich Hrachovina, 32-year-old chief Treasury officer of Czechoslovakia's state bank, said he had come to the center because he needed to raise the sophistication

of his bank's foreign-exchange operations. Velko Velkov, from the international relations department of Bulgaria's National Bank, said: "The course will be relevant."

He is a recent recruit to banking, having spent five years in China as part of his country's foreign trade mission.

The course approach is pragmatic. Robin McConnochie, the center's deputy director, said: "If people aren't sure whether to hold a bill auction, I say, try it. Hold a small auction and see how the commercial banks respond."

Mr. Hewitt, the director, said: "Part of the message is there is not necessarily a right way. The whole philosophy is: Politics and economics is trial and error."

Adam Celusak, deputy general manager of Slovakian affairs in Czechoslovakia's state bank, said the course would help him because when his country starts privatizing manufacturing industry next year, there will be a big impact on monetary policy.

So how is a central banker taught to manage monetary policy?

After a week of general principles, the course focuses on policy instruments such as operations in key markets — wholesale money, foreign exchange, bills and government securities — and on bank supervision.

Mr. McConnochie said market operations are a dialogue between the central bank and market players. There is a subtle, two-way relationship with an exchange of views on expectations.

The program includes visits to trading floors and to the theater, ballet and restaurants — the social element is important, Mr. McConnochie said. When banks cannot afford to pay, the Bank of England does.

"The only immediate benefit is one of prestige and contribution to the reputation of London as the place that knows about financial services," he said.

## Soviets Find It's Tough to Barter for Food

**Reuters**  
LONDON — The Soviet Union is stepping up barter trade in an attempt to avert food riots and economic collapse this winter, according to commodity traders and analysts.

But barter is slow, complicated and risky and will only cover a small part of Soviet food needs, they added.

News that the French trading house, Compagnie Financière Sucre & Denrées, is seeking to delay its food-for-diesel-oil swap with the Soviet Union highlighted the problems faced by Western companies.

Most Soviet barter trade is with East European partners seeking to dispose of grain surpluses.

"Barter is one way around the problem of lack of hard cash," said Bill De Maria, chief economist at the International Wheat Council, a London-based world producers and consumers body. "But it's a supplement, not a substitute to credit."

Escalating financial problems last year forced the Soviet Union to abandon cash purchases and seek Western credit.

The country is now facing a liquidity crisis and the Group of Seven leading industrialized countries is preparing an emergency aid package to help Moscow avoid defaulting on its \$68 billion foreign debt.

"Barter has existed since the stone age but it's not an efficient trading tool and will wither away as soon as the Soviet

markets have a price mechanism," said a Geneva-based Soviet trade specialist.

Barter accelerated with the emergence of the republics as independent food buyers.

"The republics are a completely new factor in the market," said Raymond Rogers, head of research at Geneva-based Finagrains. But barter is likely to cover only about 15 percent of Soviet food needs, he said.

Traders estimate Soviet grain requirements at up to 50 million metric tons in the 12 months ending June 1992 but say poor transport will limit imports to a maximum of 40 million.

The International Wheat Council forecasts Soviet grain imports at 35 million tons in the period, up a third from the previous season.

The republics, which are unable to attract Western credit and lack international trading expertise, are seeking the help of Western commodity traders to barter oil, gas and metals for food, medical supplies and industrial machinery.

But mounting problems make it extremely difficult to put Soviet barter deals together, analysts said.

Declining oil, gold and base metals output makes it hard for Moscow and the republics to keep their side of the bargain. "The Soviets often can't deliver," said a Geneva-based barter trader. "Delays are costly when grain is lined up for shipment."

Traders said Soviet difficulties in delivering diesel fuel were partly responsible for the delay in the Sudan deal.

The French government is working on a bridging loan to cover the Sudan deal, which involved the shipment of 300,000 tons of French sugar within four months compared with 23 months for Soviet oil products.

## EC Accords With East Hit a Snag

**Compiled by Our Staff From Dispatches**  
BRUSSELS — Last-minute trade and financial problems are holding up agreements to link Poland, Czechoslovakia and Hungary with the European Community, EC sources said Friday.

The sources said the EC Commission now hopes to reach agreement on association accords with the East European countries sometime next week. The signing had been scheduled for Friday.

They said differences remained over such issues as EC financial aid, access of East European steel and agricultural products to the Community, and the right of EC-based companies to set up operations in the three countries.

The prospective agreements, which the three former Soviet satellites see as stepping stones toward full EC membership by the end of the decade, will allow them to boost exports to the 12-nation bloc and foresee closer cooperation in a range of fields including research and the environment.

But Poland and Hungary have said they are not satisfied with restrictions on meat exports to the EC.

Ireland, Belgium, France and Germany have been reluctant to accept more imports of East European farm products at a time when farm prices are depressed.

Germany has said it does not want to make commitments for balance of payments aid to the three countries without knowing precise details. (AFP, Reuters)

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1750	2700	1900
1650	2600	1800
1550	2500	1700
1450	2400	1600
1350	2300	1500
1250	2200	1400
1150	2100	1300
1050	2000	1200
950	1900	1100
850	1800	1000
750	1700	900
650	1600	800
550	1500	700
450	1400	600
350	1300	500
250	1200	400
150	1100	300
50	1000	200
0	900	100

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

- Deutsche Genossenschaftsbank, the German clearing bank, has approved a restructuring plan organized around profit centers and aimed at boosting profit and strengthening market position.
- Spain's financial crimes court in Madrid has charged two bankers, Francisco Peiro and Enrique Pastor Vinardell, with fraud following the collapse of Banco Europeo de Finanzas SA of Madrid.
- French consumer prices rose 0.4 percent in October, taking the year-on-year inflation rate to 2.5 percent, the lowest in the Group of Seven.
- Nelson, a Toulouse, France-based clothing maker, has signed a four-year contract with Joseph Jackson, father of the singers Michael Jackson and Janet Jackson, to produce a new Jackson Family fashion collection.
- Renault factory workers in Le Mans, France, have voted to return to work after a 10-day strike that paralyzed the plant, which makes axles.
- Rhône-Poulenc SA, the French state-owned company, said it plans to cut 830 of 15,000 jobs in its chemicals business by mid-1993.
- Sabena, the Belgian airline, faces an EC Commission investigation if it fails to repay a government loan of a three billion Belgian francs (\$89 million) at market rates.
- Ferrari SpA, the Italian carmaker, has appointed Luca Di Montezemolo, organizer of the 1990 World Cup soccer finals in Italy, as president and managing director, replacing Piero Fusaro who is returning to Ferrari's parent, Fiat SpA. (Reuters, AFP, AP)

## Privatization Gains in Italy

**Reuters**  
ROME — The Italian government, under growing European Community pressure to put its finances in order, won a major victory Friday for its privatization plans.

After a heated debate, the Chamber of Deputies' budget commission passed a draft law on privatization, rejecting a proposal to force the state to keep a controlling 51 percent stake in public sector enterprises.

"We will have a system under which state companies can sell off all or part of their property," said Treasury Minister Guido Carli, a strong supporter of privatization. The law "does not set any limit," he said.

The measure still has to be approved by the full House and then by the Senate before becoming law.

The government's 1992 budget bill, currently before Parliament, calls for the raising of 15 trillion lire (\$12.2 billion) from the sale of state assets, although the government has still to say exactly what it intends to sell. Prime Minister Giulio Andreotti promised parliament earlier this week that the government would detail its plans by December.

EC finance ministers have given a guarded welcome to Italy's long-term plans for cutting its huge public sector deficit, but have emphasized the need for privatizations.

The government plans to cut the state deficit to 5.4 percent of gross domestic product by 1994 from 10 percent now.

## British Inflation Fell to 3-Year Low in October

**Compiled by Our Staff From Dispatches**  
LONDON — British inflation fell in October to its lowest level for three and a half years, the Central Statistical Office said Friday.

The inflation report came as the Bank of England and economists are proclaiming Britain's recession all but over.

The retail price index, Britain's main measure of inflation, showed a year-on-year increase of 3.7 percent, down from 4.1 percent in September. It was the lowest year-on-year rate since the 3.5 percent in March 1988, the statistics office said, adding that the fall partly reflected mortgage interest rate cuts as well as oil price rises this time last year, which have dropped out of the annual calculation.

Most London financial analysts, however, had forecast the inflation rate would fall to 3.5 percent, and the London stock market reacted without cheer to the news that Britain's inflation rate still exceeded that of Germany.

The blue-chip Financial Times Stock Exchange 100-share index, which rose 15.1 points Thursday, slipped 150 points to close at 2,546.6. The narrower Financial

Times 30 index was down 14.7 points to 1,948.6.

Between September and October, mortgage interest rates fell but there were increases in automobile costs, notably for insurance, and higher prices for clothing.

There were also rises in postal and telephone charges as well as

increases in other household expenses, such as insurance.

The Bank of England on Thursday said there were signs that Britain was at last moving out of recession and encouraged the government to maintain its firm anti-inflationary stance.

The bank cited a rise in imports,

new housing starts and a slowdown in the growth of unemployment as reasons for its optimism. It said domestic production — excluding crude oil — appeared to have halted its decline.

In its quarterly bulletin, the central bank pointed to "growing signs that a modest but sustainable upturn may now have begun." Economists on Friday agreed with the bank's analysis, saying a set of government figures next week will mark the official end of Britain's recession.

Higher North Sea oil production is expected to raise output-based taxes, a domestic product for the third quarter by 0.4 percent after a fall of 0.6 percent in the second quarter, a survey of market forecasts showed.

That will be good news for the Conservative government as it prepares for a general election by mid-1992 whose outcome could depend largely on the extent of Britain's economic recovery.

Britain officially slipped into recession in the fourth quarter of 1990 with two consecutive quarters of falling GDP.

(Reuters, AFP, UPI)

## Weak French Outlays Seen

**The Associated Press**  
PARIS — French business leaders expect a weak rise of between 1 percent and 2 percent in industrial spending next year following an anticipated 6 percent decline in 1991, the National Statistics Institute said Friday.

The state-run organization said a survey of business opinion carried out in October found French industrialists were more pessimistic about the investment trend for this year than they had been in May, when they predicted a 3 percent decline.

The October growth figure was adjusted to correct for a tendency for business leaders to underestimate the actual trend.

The institute did not give a projection for the rise in the prices of capital goods next year, but it did say that the business leaders expect an increase of about 3 percent for 1991. That would suggest that industrial investment in volume terms could fall by 9 percent or more this year.

The institute said the automobile industry is expected to continue investing heavily, while the business sectors where the slowdown is likely to be most evident will be the semimanufactured and capital goods industries.

## NYSE Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

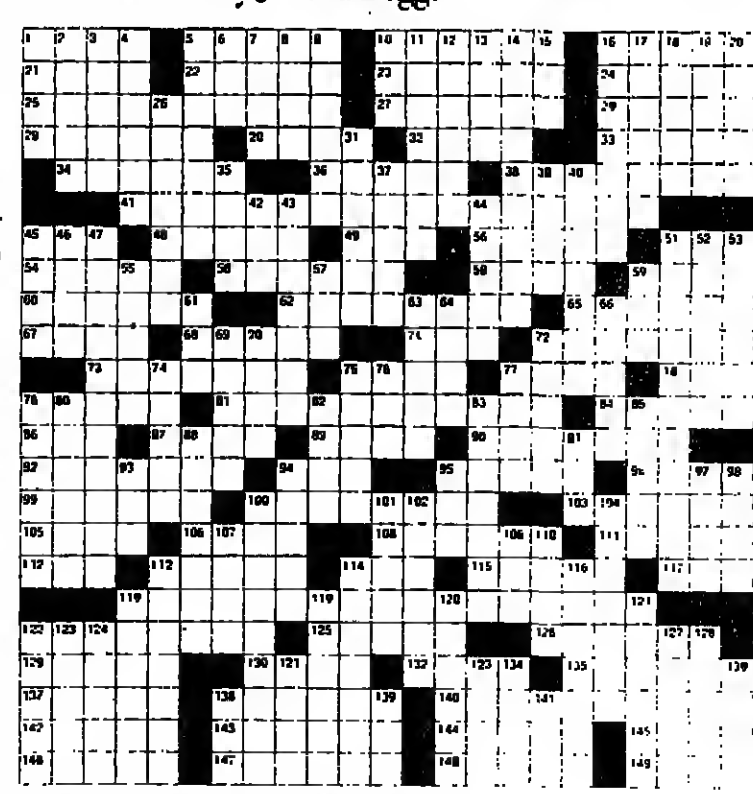
(Continued)

19 Month	Stock	Div	Yld	PE	52 Wk High	52 Wk Low	100 DMA	200 DMA
19	IBM	3.75	4.4	13	125	115	120	118
20	AT&T	2.75	4.1	15	110	100	105	103
21	GE	2.25	3.8	14	100	90	95	93
22	Merck	1.75	3.5	12	85	75	80	78
23	Boeing	1.25	3.2	11	75	65	70	68
24	Johnson & Johnson	1.00	3.0	10	65	55	60	58
25	Walmart	0.75	2.8	9	55	45	50	48
26	Procter & Gamble	0.60	2.6	8	45	35	40	38
27	McDonald's	0.50	2.4	7	35	25	30	28
28	Target	0.40	2.2	6	25	15	20	18
29	Home Depot	0.30	2.0	5	15	10	12	11
30	Lowes	0.20	1.8	4	10	5	8	7

19 Month	Stock	Div	Yld	PE	52 Wk High	52 Wk Low	100 DMA	200 DMA
31	Wal-Mart	0.20	1.8	4	10	5	8	7
32	Target	0.40	2.2	6	25	15	20	18
33	Home Depot	0.30	2.0	5	15	10	12	11
34	Lowes	0.20	1.8	4	10	5	8	7
35	McDonald's	0.50	2.4	7	35	25	30	28
36	Procter & Gamble	0.60	2.6	8	45	35	40	38
37	Boeing	1.25	3.2	11	75	65	70	68
38	Merck	1.75	3.5	12	85	75	80	78
39	GE	2.25	3.8	14	100	90	95	93
40	AT&T	2.75	4.1	15	110	100	105	103
41	IBM	3.75	4.4	13	125	115	120	118

- ACROSS**
- Hog feed
  - Bolton bus
  - Honchus
  - Spread out
  - Laudia — Johnson
  - Carlson Saunders
  - Nehelie (for Peace)
  - Attentive, in (anarch)
  - chow (a trifle)
  - Messing ring
  - Convertible
  - Poets Sexum and Marx
  - Persevered
  - Dickens clerk
  - Lower a spar
  - Wrinkles, to (browns)
  - black as the — of night
  - Read
  - Philly's transit system
  - Ruinders
  - Truncated trunk covering
  - Gund times
  - Emulate Henry
  - Gas plant's family
  - Suffix with rend on vend
  - Sec. largest planet
  - mind (remember)
  - Mother of Apollo
  - 59 Catechu cigarette
  - 60 A Plummer from NYC
  - 62 Auditions
  - 65 A-Jing and Melting
  - 67 Certain bottom lines
  - 68 Showy plant
  - 71 Politio London
  - 72 Porcelain ware
  - 73 Inspiration for W.C. Bryant
  - 75 Prohibited
  - 77 Vienna, to Hans
  - 78 Kokoon
  - 79 Thespian Thomas
  - 81 No big theory connector
  - 84 Galled
  - 86 Master, in Mexico
  - 87 Fein
  - 89 Cod cousin
  - 90 Type of screw hook
  - 92 Pileup-like bird of Asia
  - 94 — vivani
  - 95 Waterfront inn
  - 96 Stair symbol
  - 98 Skate blade
  - 100 Diagonal
  - 103 Be united
  - 105 Ampersand
  - 106 Aleutian island
  - 108 Summit
  - 111 Early TV sensation
  - 112 Cal's 108
  - 113 Close, partially
  - 114 Page instrn
  - 115 Greeks' Greece
  - 117 Still
  - 118 Buzz off
  - 122 Hawk aggressively
  - 125 Senior member
  - 126 ACTION is one
  - 129 What some subscribers do
  - 130 Gide's — Die
  - 132 Short Stinson work
  - 135 James Wright's predecessor
  - 137 Constellation
  - 138 Ericaceous shrub
  - 140 Muffled thud
  - 142 "Landlord of New York"
  - 143 Desery
  - 144 Reunion in Dallas, e.g.
  - 145 Force
  - 146 Pithers
  - 147 Carol starter
  - 148 Chute material
  - 149 Solumonic seasoning

## Sound Off By June A. Boggs



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## Solution to Last Week's Puzzle

ACROSS  
1. Hog feed  
2. Bolton bus  
3. Honchus  
4. Spread out  
5. Laudia — Johnson  
6. Carlson Saunders  
7. Nehelie (for Peace)  
8. Attentive, in (anarch)  
9. — chow (a trifle)  
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53. Diagonal  
54. Be united  
55. Ampersand  
56. Aleutian island  
57. Summit  
58. Early TV sensation  
59. Cal's 108  
60. Close, partially  
61. Page instrn



# PRIVATE SECTOR INVESTMENT MAY REACH \$20 bn BY 1995

A high-contrast, black and white photograph of a city skyline at night. The image is dominated by a large, brightly lit bridge structure on the right side, which appears to be a suspension bridge. The bridge's towers and cables are clearly visible against the dark sky. In the background, several tall buildings are illuminated, their lights reflecting on the water in the foreground. The overall scene is dark, with the primary light sources being the bridge and the city lights, creating a dramatic and somewhat somber atmosphere. The image has a grainy, high-contrast quality, typical of older newspaper photographs.

The grand old man of Syrian's private sector is 84-year old Mr Badreddin Challah, president of the Union of Syrian Chambers of Commerce. Wearing an immaculate white cotton suit, a red tie with a gold stripe, red rose in his buttonhole and black-tassled turban he is philosophical about the present situation. A much travelled businessman he has seen so many changes in his own country as well as abroad that he feels a little cautious about the future. While welcoming the new investment laws and the greater opportunities for the private sector he still has

## NEW LAW A 'GO SIGNAL' FOR FOREIGN INVESTORS

foreign exchange component amounts to ESR 7.4 billion (US\$ 177 million). At the end of October another 20 projects were awaiting final approval by the Ministry of Industry. Fifteen of these are in the transportation sector. Taghlibi gives an example of how the system has been speeded up. A company interested in setting up a \$3 million food processing and freezing plant presented its proposal to the IO. Within 18 days the IO had studied and approved it for recommendation by the appropriate ministry who agreed to the project within one week. It was then returned to the IO and forwarded to the SIC.

Next year Syria plans to hold an international investment conference to highlight business opportunities under the new law No. 10. It is also planning a number of investment promotion missions overseas.

Activity	Public Sector		Private Sector		Total	
	1986	1990	1986	1990	1986	1990
Year	1986	1990	1986	1990	1986	1990
Textiles	2,929	7,153	4,511	14,321	7,440	21,474
Food	1,167	3,262	1,231	5,217	2,395	8,479
Engineering	975	3,417	3,117	9,013	4,092	12,430
Chemicals	1,622	3,669	2,252	6,619	3,874	10,288
Cement	1,754	2,510	-	-	1,754	2,510
Sugar	533	2,184	-	-	533	2,184
Total	8,977	22,195	11,111	35,170	20,088	57,365

Mr Daaboul, who is now 45 (but with the heart of an 18-

	1987	1988	1989	1990
Public	81,000	110,000	126,000	130,000
Private	79,000	162,000	400,000	517,000
Total	160,000	292,000	526,000	647,000

Source: Ministry of Industry

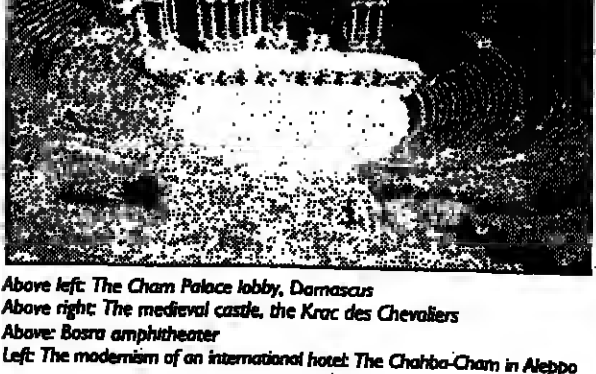
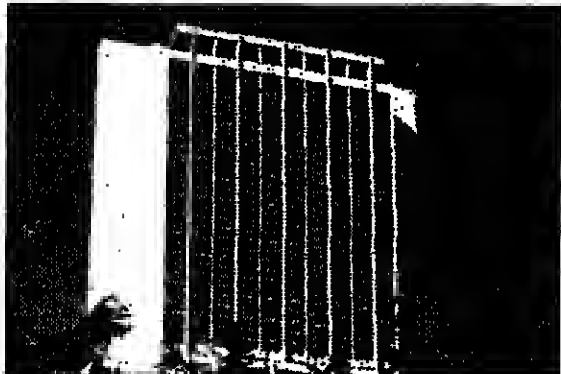
private sector together with a great deal of much needed foreign investment and technology for priority areas of development. He includes such areas as petrochemicals (in its infancy in Syria), agri-industries (particularly food processing), pharmaceuticals, electronic component manufacture, textiles and engineering. He believes that the economic — and political — environment is now right. The opportunities created by the government have been increased and the door for investment and growth is now definitely ajar — and opening wider as each day passes.

INDUSTRIAL EXPORTS (US\$'000)				
	1987	1988	1989	1990
Public	81,000	110,000	126,000	130,000
Private	79,000	182,000	400,000	517,000
Total	160,000	292,000	526,000	647,000

Right: Mr Ahmad  
Aaouboul at his  
Damascus detergent  
factory: enormous  
potential for private  
sector.

# SYRIA

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# Big for

There is every chance that the company will be expanding its business substantially in the coming year, according to the president, who says that the company is planning to open a new plant in the U.S. and to expand its sales in the U.S. and in other countries. The company is also planning to expand its sales in the U.S. and in other countries.


... ..

**EUPH**  
**TUR**

**I**n the past decade, irrigation in Syria has been transformed. With the help of the World Bank, Syria has built an average 300 mm per year increase in the water content index of the Euphrates River and modern farming methods have reduced the farmers' need for a country's water from the Mediterranean mountain regions, dramatically across by the river.

Today 98 per cent of the private sector agricultural production consists of some crops. "We're future says Engineer the man chosen to do it."

During the mid-1940s which devastated the country created by the great drought ago has been used as irrigation channels, in 1975 the total amount at the end of 1992 it was



This stretch of fertile  
reclaimed after a su-

than 230 mm. So  
once again democ-  
the region. "We  
from the traditional  
irrigated lands," says  
30-year low interest  
man irrigated land  
and Al Khaybar has  
309,000 in the East  
and another 73 and  
another 200,000.  
Engineer Madani in-  
irrigation under the  
planned irrigation  
from conventional  
are now evaluating  
storage for water.

Dr Yaha Bahoui  
Union, believes the  
agriculture has now

"I don't think we  
could not happen in  
and While Syria is as  
eggs, there is an  
additional wheat,  
Central Bureau



## OIL AND GAS:

# Big increase in production as foreign partners step up exploration

There is every expectation that oil production levels next year will reach more than 600,000 barrels a day bringing in much needed revenue and foreign currency earnings for the government. This year they are expected to reach some \$5 billion making a substantial contribution to Syria's current account. Current oil production is just under 500,000 b/d and has been increasing at an annual rate of more than 17 per cent — one of the fastest rises in the Middle East. With only 17 per cent of the country surveyed for hydrocarbons, Dr Mianios Habib, the Minister of Oil and Mineral Resources, fully expects a considerable increase in future production of both oil and gas.

Recent gas discoveries have been very promising and industry experts in Syria say that two new areas currently under evaluation in the central Palmyra region and an area east of Al Rasafa being exploited by Marathon, Total and Syrian Petroleum Company suggest that estimated reserves so far could total as much as 3.5 trillion cubic feet plus a potential of three times this amount. Both areas are currently being evaluated and gas production could amount to some 6 million cubic metres a day from Marathon's wells at Ash Shaer and Cherrife. Although these finds are not that large it is thought that Syria has more than enough gas resources to meet all its power generation needs for the next 25 years. This would allow more crude and fuel oils to be exported.

Compared to other Arab oil-rich states, Syria, which is not a member of OPEC but does belong to OAPEC (Organization of Arab Petroleum Exporting Countries) at present lags far behind. "We do not pretend to be a big oil producer, but we have sufficient for all our local consumption—plus a little left over for export," says Dr Habib who is bullish about new developments.

"Our experts assure us that Syria has been one of the least prospected countries in the world. But that is changing and we would like to see Syrian Petroleum Corporation (SPC) co-operating with more foreign companies on a production-sharing basis," added Dr Habib. SPC is responsible for all oil exploration including allotment of

concessions. The country has been divided into 18 concession areas for which 14 contracts have been signed.

SPC operates purely on its own account in two areas. Al-Furat Petroleum Company (FFC), which is 50 per cent owned by SPC, is the major producing company with an output of 306,000 barrels a day at the end of June 1991 compared to 250,000 b/d in 1989. FFC's other partners include Pecten (US Shell), Syria Shell (Royal Dutch/Shell) and Deminex. FFC's oil is almost all light crude with an API of 37 deg. compared to the 150,000 b/d of crude (API 24 deg) produced in other regions — primarily SPC's Suwaidiyah-Karachuk Fields.

Another 20,000 b/d of light crude comes from the new North Attalah Field in Elf Aquitaine's concession. SPC's other major foreign partners include Marathon, ENRON, Occidental, Neste, Total, UNOCAL, Tricentrol, BP and Repsol.

Until now most of the oil, which has been the heavier crude, has been exploited from fields in the east and northeast, first begun by SPC in 1968. Some of these fields have seen a fall in production which is now being made up by new discoveries of the lighter and less sulphurous crudes in the centre, south and west. The first major light oils were

found in 1984 by Pecten at Tahayem near Deir ez-Zor on the Euphrates River. This seems to be a region rich in light oils.



Dr Mianios Habib, Minister of Oil and Mineral Resources. Only 17 per cent of our country has been explored for oil.

"We are digging deeper and wider, and using new technology to assess the prospects before drilling," says one oil expert. "I think deep drilling is very promising and a lot of companies are interested in what is going on." In some cases wells up to 5,000 metres deep have been drilled in the northeast.

Some previously explored areas are also being re-evaluated in the current exploration program. More than 190 potential oil and gas-bearing structures have been drilled, out of which 65 showed oil — 32 in possible commercially viable quantities. New electro-magnetic surveys during 1983-1990 have helped to identify the best exploration areas to develop thus substantially reducing the risk of drilling dry wells. These techniques have helped SPC make valuable oil and gas discoveries in Al Rasafa and north Hussein areas.

Later this month an LPG plant close to the eastern Omar Field in the ELF/Shell concession area is to come on stream and will provide about

130 million cubic feet a day of dry gas which will be piped to the 400 MW Tishrin power station near Damascus. Surplus gas will eventually be piped to other stations — Banias (680 MW) and Mahrada (630 MW) — as they switch from oil to gas thus increasing the availability of more oil for refining and export. As more gas becomes available new distribution networks will have to be established to bring the gas to where it is needed in the population centers which are in the south and west part of the country. Several plans are being studied by the government — including new pipelines to Lebanon and Turkey both of which are major potential markets for Syria's new-found gas.

New pipelines from Al-Furat's Omar Field to Tishrin on the coast will be completed about the middle of next year. There may also be a spur line to Homs and Mhardeh. Gas will also be available as a primary feedstock for an emerging petrochemical industry in the form of a new fertiliser plant planned for Homs. One of the drawbacks which Syria's oil industry has faced is having to process the heavier crude oils which have to be blended in the past with imported lighter crudes for refining at its two major plants at Banias and Homs which have a combined capacity of 340,000 b/d — sufficient to meet domestic needs with a surplus of about 140,000 b/d for export. Dr Habib says that a study on the future of Syria's basic refining operations is being carried out by a US consultancy group with the possible intention of upgrading or even constructing a new refinery.

The oil industry at present employs about 25,000 persons and, as the pace of exploration and development quickens, opportunities for expanding the oil field supplies industry are increasing. Very little indigenous input exists. Although Dr Habib declares he is not an optimistic man by nature, commenting on the future of Syria's oil and gas industry he says: "Because I listen and hear from the experts I am confident in their scientific knowledge and ability."

The possibility of greatly increased oil revenues comes at a new stage in Syria's economic and industrial development which will be able to benefit from some much-needed capital injection.

## AGRICULTURE:

## EUPHRATES DAM HELPS TO TURN THE DESERT GREEN

In the past drought has been the scourge of the agriculture sector in Syria which, during the days of the Roman occupation, was regarded as the bread basket of the Eastern Empire. It has been part of the ancient "fertile crescent" with an average 300 mm rainfall a year which stretches in an arc from the eastern side of the coastal mountain ranges in the west to the Euphrates River and Iraq in the south-east. Increasing use of modern farming methods and extended irrigation have helped reduce the farmers' dependence on the vagaries of mother nature in a country with enormous land variations. These range from the Mediterranean littoral in the west, rising to harsh mountain regions, dropping to arid desert in the east scoured diagonally across by the muddy waters of the great Euphrates River.

Today 98 per cent of Syria's agricultural sector is in the hands of the private sector. The country is almost self-sufficient in many agricultural products and even exports a moderate surplus of some crops. "We hope to be able to export even more in the future," says Engineer Abdul Rahman Madani, Minister of Irrigation, the man chosen to tame mother nature's whims and fancies.

During the mid-1980s the country was hit by a severe drought which devastated the harvest. Since then water from Lake Assad created by the great Euphrates Dam project inaugurated 13 years ago has been used to feed an ever increasing network of irrigation channels to reclaim more land for agricultural use. In 1975 the total amount of irrigated land was 500,000 hectares. By the end of 1992 it will be almost 1 million hectares. Normally the average annual rainfall across 60 per cent of the country is less



This stretch of fertile land near Suqaybiyah, north of Homs, was reclaimed after a swampy lake was drained in the 1960s.

than 200 mm. So far this year six times the average has fallen once again demonstrating the uncertainty of weather patterns in the region. "We are now trying to encourage farmers to move from the traditional rain-fed areas of the country to the newly irrigated lands," says Engineer Madani. Farmers are being offered 30 year low interest loans to purchase the new lands. The three main irrigated regions consist of 207,000 hectares in the Tiger and Al Khabour basin, 230,000 hectares in the Orontes basin and 309,000 in the Euphrates basin. So far 143 dams have been built and another 23 are currently under construction which will add another 200,000 hectares of irrigated land. According to Engineer Madani more than £SR 7 billion has been allocated to irrigation under this year's budget. He expected most of the planned irrigation projects to be completed by 1995. Apart from conventional dams and irrigation channels technical experts are now evaluating the possibility of using more underground storage for water.

Dr Yehia Bakour, president of the Syrian Arab Agronomists Union, believes that because of the success of the irrigation policy agriculture has now turned the corner.

"I don't think we will ever again be affected by a drought. It could not happen like it used to in the past," he says.

While Syria is self-sufficient in many crops as well as in poultry and eggs, there is still a need for more irrigated land to produce additional wheat, barley and maize. Last year, according to the Central Bureau of Statistics, wheat production was 2,069,800 tonnes compared to 1,969,000 tonnes in 1986. But barley fell to

TABLE 3.

TOTAL IRRIGATED LANDS 1990

Basin	Surface area (hectares)
Yarmouk	27,353
Barada and Aouj	70,736
Al Badiya	4,518
Orontes	230,783
Coastal	35,740
Tiger and Al Khabour	207,844
Euphrates	309,954
Total	863,308
Additional area expected 1991/92	136,547
Total	999,825

Source: Ministry of Irrigation.

only 846,200 tonnes from 1,115,700 tonnes. There was a record barley harvest of 2,835,800 tonnes in 1988. There was a big improvement in maize last year which rose to 180,000 tonnes compared to only 74,000 tonnes in 1986. Both oat (400 tonnes) and millet (3,500 tonnes) production fell by almost 50 per cent during the same period. Barley is by far the widest grown crop covering some 2,729,000 hectares.

Industrial crops showed little or no improvement in production output over the five-year period. The total cotton crop last year was 441,200 tonnes compared to 418,700 in 1986; sugar beet 421,800 tonnes (440,000 tonnes); tobacco 13,100 tonnes (16,100 tonnes); peanuts 22,200 tonnes (19,600 tonnes); and sunflower 16,900 tonnes (15,300 tonnes).

In spite of higher yields in some of the new irrigated lands overall production yields of the cash crops has remained static and in many cases fallen. Cotton averages have gone down from 2.9 tonnes per hectare in 1986 to 2.8 tonnes last year; there was a dramatic fall in sugar beet production from 33.3 tonnes to only 19.7 tonnes; tobacco was down slightly from 1.2 tonnes to 1.1 tonnes but peanuts remained the same at 2 tonnes. The one slight improvement was in sunflowers which up from 1 tonne to 1.4 tonnes per hectare.

The figures reflect the present dire situation of the agricultural sector which is basically short of much-needed investment to capitalize on the benefits of the increased irrigated cultivatable lands.

Co-operative societies and peasant farmers own or lease about 98 per cent of the total cultivatable land with the remainder held by state farms. However, the government maintains a strong guiding hand as to what crops may be grown, controls pricing and marketing and the distribution of seeds and fertilizers. But just as on the industrial front, some deregulation and an easing of restrictions has been taking place in recent years. However, it is more of a "Catch 22" situation. Farmers can import whatever machinery or equipment they like — if they have the foreign exchange.

It is the lack of investment and foreign exchange which has



Newly picked cotton on the way to the spinning plant at Hama.

been holding back the development of agriculture now that the irrigation infrastructure is almost complete. Where some progress has been made is in introducing crop rotation on a bigger scale in the newly irrigated areas. The main crops being wheat, cotton, sugar beet and legumes. Where possible new strains of seeds and fertilizers are available.

"Our farmers are very clever and adapt to new ideas — if they believe it is good for their production," comments Dr Bakour. Yields have improved in many of the new areas compared to those in the traditional rain-fed lands. "We are now getting three tonnes of cotton and 3.5 tonnes of wheat per hectare from the irrigated lands."

There has been substantial financial assistance in the form of a number of credits and loans from the World Bank, the European Community, the International Bank for Agricultural Development as well as bi-lateral aid from Germany, France, Italy and Japan.

"We are still opening the door for agricultural development and we need more investment in irrigation equipment, agricultural machinery, industrial food processing, and general farming 'know-how'," says Dr Bakour.

Already there seems to be some light in the investment channel. Several new ventures for agribusinesses have been agreed under this year's Law No. 10, others are in the pipeline.

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سيادة الرئيس الجمهورية العربية السورية حافظ الأسد ٢٩ تشرين الثاني ١٩٨٧

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2 November, 1987

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TOURISM:

# SYRIA - A LAND OF CASTLES, CITADELS AND COLONNADES

Like some massive galleon in the sky, the Krac des Chevaliers, the most famous of all crusader castles, loomed menacingly on its mountain top overlooking the plains below. The Mediterranean glistened in the far distance. Occasional shafts of light from the setting sun pierced through the dark threatening clouds as they hurried across the wind-swept horizon on a cold late October evening. There was not a tourist in sight — only a small Syrian boy fired shots at the massive walls with his catapult — just as his ancestors might have done centuries before when Arabs besieged Christians in the castle above.

Krac des Chevaliers, or Qal'at el Hasn as it is marked on most maps, can now be reached by a new road leading north off the modern highway between Tartus and Homs. T.E. Lawrence described it as "perhaps the most wholly admirable castle in the world." It is every schoolboy's dream of what a real castle should look like.

The western part of Syria is littered with castles and watchtowers guarding the passes through the mountains from the coastal strip to the hinterland. There is enough variety to whet the appetite of the most ardent castle lover. There is the great tower at Soffia which dominates a small hill-top town; the citadels at Apamea and Aleppo; and Saladin's great castle on Tuscan-like hills near Latakia on the coast.

Syria's rich tapestry of history has been criss-crossed by invading hordes down the ages, including Greeks, Romans and Turks, who have left their indelible marks on the mountains and in the deserts. Damascus itself is the oldest inhabited town in the world claiming a heritage going back 7,000 years to Neolithic times. Then, copper smelters set up their furnaces by a sweet-water oasis beneath the foothills of the Jabal Kassasiun which are a backdrop to the modern city which has long since swelled beyond the old walled town.

There are still on-smiths and copper-smiths tapping away in their open-fronted workshops crammed side-by-side in the narrow bustling streets of the old town, once the center of ancient trade routes between East and West. Here in the great iron-roofed Al Hamidiyah bazaar can be found countless shops displaying exquisite Damascus inlay work with mother

of pearl, rolls of silk brocade, brass, silverware and gold jewellery.

Dominating the old city is the Umayyad mosque which was part of a Christian cathedral and burial place of St John the Baptist. To one side of the polished marble courtyard — reminiscent of the grand expanse of Venice's St Mark's Square — is the minaret of Jesus. Everywhere there are gold, green and white mosaics sometimes set into pink marble. Damascus with its cosmopolitan population, customs and religions, is a bewildering confusion at first, full of incongruous contrasts compared to the rest of the Arab world. Moslems, Jews, Christians and other sects mix and mingle in apparent harmony. Just after sunset on a Sunday following the muezzin's call to prayer from the mosque's minaret, the bells of a Christian church peel out summoning the faithful to Evensong.

Away from Damascus are many great historical sites from the classical Hellenistic and Roman periods, and even earlier. Today good fast roads link the main centers all of which are not much more than two hours' drive apart. Away in the desert to the north of the capital following the traditional caravan route to the Euphrates (now a modern highway with a railroad running alongside for most of the way) is Palmyra. This vast city, once Queen Zenobia's capital, stands by a tree covered oasis and lake. It once had a population said to have been more than 1 million persons. The ruins, including the great colonnade and processional way, are seen at their best during sunrise or at sunset from where the funerary towers stand on a hillside overlooking the city to the south-west.

Perhaps even more impressive than Palmyra are the ruins of Apamea near Hama whose colonnades stride out across a hill-top. The approach up a climbing, twisting dirt road is dramatic. This is another Greco-Roman site of spectacular dimensions.

On the road from Apamea to Krac des Chevaliers, Homs and Hama you pass through a heavily mountainous area covered with scrub and stony coniferous trees. The villages are poor and without mains water or drainage and barely a roof over many of the stone-built dwellings. But, stop to inquire the way and an old Arab lady at her roadside smoking clay oven will give you some

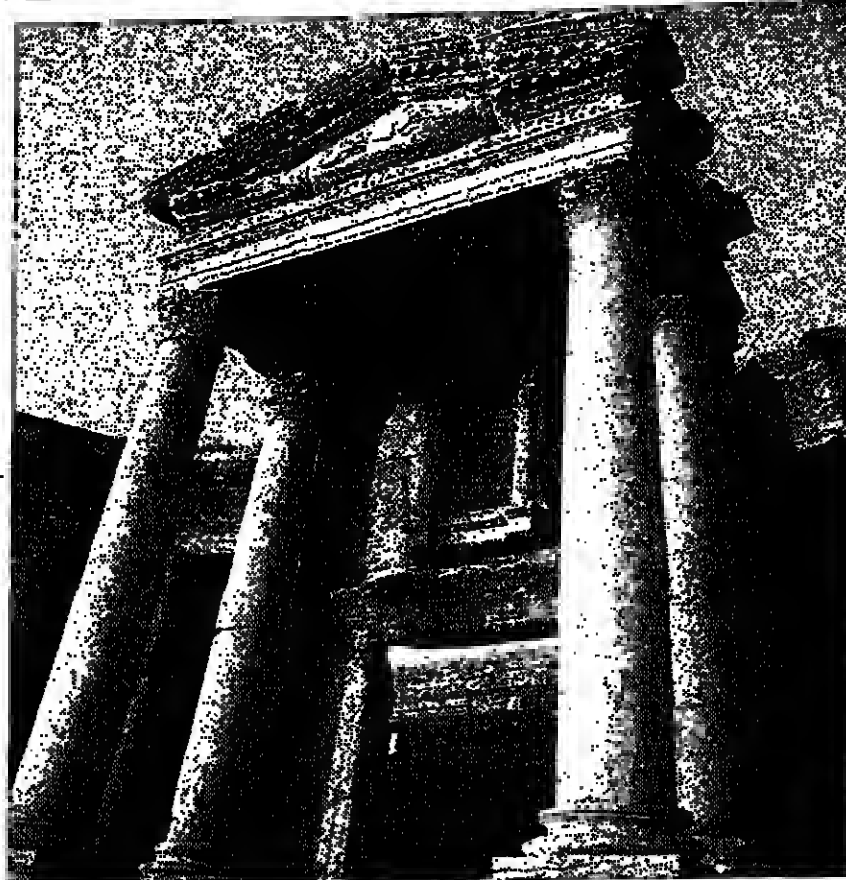
newly-baked, hot, flat bread-if you'll give her son a lift to the next village.

Down from the mountains on the shores of the Mediterranean there is a complete contrast with the Côte d'Azur resort of Latakia which now boasts a Cham Palace hotel complex. Here there is swimming, surfing and watersports of every kind — with a touch of elegance and luxury. A major change in recent years has been the spread of the Cham Palace hotels which are now located at almost every major tourist spot.

One of the newest to open last year is the Apamea Cham Palace at Hama famous for its spectacular "norra" or huge waterwheels. There are about 30 in the city itself and altogether 100 in the area. New ones are still being built to help with irrigation, but most are more of a tourist attraction. From the Apamea Cham Palace there is a magnificent view of the river and its water wheels against a backdrop of the remains of the old city.

The tragedy of it all in some ways is that Syria's heritage has been bypassed by modern tourism. There is more to see and do than almost any other country in the Arab world: perhaps only Egypt has a larger open-air museum. Syria has everything a tourist could want — variety, good climate, spectacular sites, fine food and very hospitable people to whom every stranger may be counted as a friend.

With the present changes in the wind Syrians are anxiously hoping that the next invasion will be a friendly one by visitors from all over the world. If they come, Syria is prepared.



The central Royal Door at the amphitheater in the ruined city of Palmyra which seats 15,000 persons. The city has some of the most spectacular remains in Syria, and is said to have once had a population of more than 1 million.

## THE TOURIST INDUSTRY WHICH IS READY, WILLING - AND WAITING

If you arrive by air in Syria you cannot fail to be aware of the Cham Palace chain of hotels. It must be one of the few countries in the world where a hotel chain is advertised on the back of the immigration landing card. It is typical of the private sector initiative in the tourist industry. The truth is that today — and for the past ten years — there has been little tourism to speak of, except from neighboring Arab countries, Iran and Turkey (mainly religious tourism) and a trickle of visitors from France, Germany, Austria and Japan. But, hopefully all that is about to change. For more than a decade Syria has been poised for a breakthrough in tourism — but political circumstances have made it virtually impossible. Now that stability has returned to the country, the government's Supreme Council for Tourism headed by the Prime Minister and the membership of the concerned ministries in this sector, is making increased efforts to develop and improve the infrastructure for the tourist industry — better communications, transportation and marketing — because Syria has great and very important archaeological sites dating from 4000 bc and from early Christianity and Islam.

It has been joined by the private sector in helping prepare the ground for the day when, hopefully in the near future, Syria is once again on the international map of tourism. It deserves to with a wealth of heritage, tradition, hospitality and the genuine friendliness of its people that is difficult to

find elsewhere in the Middle East, especially today.

"We now have the infrastructure, we have the hotels and we have the transportation. We are ready to go," says Dr Osmine Aidi, the mercurial "Mr Tourism" of Syria. He is in fact chairman of the Syrian Arab Company for Tourism Establishments (SYRTEL) which owns the Cham Palace and Hotels chain which has about 7,500 beds out of the 10,000 in the country.

Ten years ago there were less than a handful of four and five-star hotels in Syria. Most were run by international companies like Meridien and Sheraton. Today the Cham chain has 17 major tourist hotel complexes. These range from the 400-room Cham Palace in Damascus, another at the ancient Greco-Roman city of Palmyra in the central desert to the Côte d'Azur de Cham on the Mediterranean coast at Latakia.

Dr Aidi became involved in the hotel business when the government's emerging tourist industry began floundering in the late 1970s. In 1978 SYRTEL was formed as the first mixed capital company and Dr Aidi became its chairman. It was started with a capital of £SR 10 million. Today its capitalisation has grown fiftyfold to £SR 500 million with total assets of £SR 6 billion. The government has a 25 per cent shareholding.

"I only took on the job of running SYRTEL on condition that I could run it as a private company," says Dr Aidi who has successfully developed the company into a highly profitable,

dynamic tourist enterprise with more than a dozen subsidiary companies covering hotel management, transportation and marketing, and construction and engineering services.

"Today we employ 3,500 persons and have 19,000 shareholders, quite a few of them company employees as they get preferential shareholdings," explains Dr Aidi. Ten of the Cham Palace's or hotels are run as subsidiary companies within the group. In some of them such as Damascus and Latakia, the municipality has a shareholding.

Dr Aidi is a familiar figure in a double-breasted blue suit often seen whisking in and out of the corridors of power in the capital. He doesn't walk but has a trotting gait. Men half his age find it almost impossible to keep up with him. Some Damascus businessmen like to wear the same "Aidi suit," as they call it, in the forlorn hope it will bring them good fortune too. But Dr Aidi's success has been founded on sheer hard work — and the love of his country.

He began carving out a career for himself 35 years ago with an engineering and construction business (he built several dams including Rastane, irrigation works and hotels) before becoming involved in the tourist industry. Now he has many other worldwide business interests including the Hotel Royal Monceau in Paris. Almost every week he flies to Paris — sometimes just for a day — and then back to Damascus where he works up to

eighteen hours a day. When he is around he expects much the same from his staff and does not suffer fools gladly. But he is admired, attracts loyalty and is a friend of both the great and the good giving much of his wealth to charity.

He is a bachelor and a man in a hurry. He likes things to be done quickly and less no obstacle stand in his way. After one construction company failed to get a new luxury hotel off the ground after six years in Hama, SYRTEL took over the project and built the 200-room hotel in seven months. It opened in August 1990 as the Apamea Cham Palace. Another at Bosra was completed in a similar period.

Tourism is in his blood now and Dr Aidi sees the expansion of the industry as one of the pillars of Syria's newly developing economy "It can be our number one industry — greater than oil, bigger than manufacturing. We must capitalise on what our forefathers laid down all those centuries ago when they built the great cities like Palmyra and Apamea. They made the biggest investment for our tourist industry so now we must reap the benefits," exclaims Dr Aidi.

He believes that Syria must now go into a major marketing operation to "sell" tourism to the world and says it is possible that there could be as many as 4 million visitors a year after the middle of the 1990s. If anyone has the vision and determination to make things happen in Syria, Dr Aidi has to be among them.

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### Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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一、本會為維護會員權益，特訂定本會章程，凡加入本會者，均須遵守。  
 二、本會之宗旨，在於促進會員間之交流與合作，共同發展。  
 三、本會之組織，由會員大會、理事會及監事會組成。  
 四、本會之經費，由會員繳納會費及接受社會捐助。  
 五、本會之活動，包括學術研討、文化講座及社會服務等。  
 六、本會之榮譽，由理事會頒發給有貢獻之會員。  
 七、本會之修改，須經會員大會三分之二以上多數通過。  
 八、本會之解散，須經會員大會三分之二以上多數通過。  
 九、本會之章程，自公布之日起施行。  
 十、本會之章程，如有不明之處，得向本會秘書處查詢。

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(Continued on next page)

**NYSE High-Low**[illegible]

## ANEX High-Low

NEW NIGHTS 24			
AmStarboard	AmTr-gttr p	AmTr-hc sc	AmPort
BleCo	BodtHeoll	BorVolia	CdMort
Entertan	Enttoll	Embohe	GTI Corp
Int-CyPa	IntColln	Enorcan	Low InstCo
Marcopolo	MomPn ptc	Northcan	Pen InsCo
PlatWv Shrs	Roytoll	StirlingCo	Tennely Eng
WCI Hld of	Worldtoll		
NEW LOWS 24			
AmTr-chv sc	AmTr-dow sc	BegrDoll	CitiedHldg
Citica wfm	Estzlv wv	ChadDoll	Fing
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## British Inflation

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## Taiwan Considers Stake in McDonnell

Reuters

TAIPEI — Taiwan Aerospace Corp. said Friday it is discussing the possibility of buying a stake worth about \$2 billion in the commercial aircraft business of McDonnell Douglas Corp.

"We are one of the potential candidates in the talks with McDonnell Douglas," said Danny Ke, Taiwan Aerospace president. The \$2 billion stake would give Taiwan Aerospace 40 percent of McDonnell Douglas's commercial aircraft operations. Mr. Ke said talks with the U.S. aircraft maker had been going on for several months.

"We are highly interested in the opportunity offered by McDonnell Douglas and hope to reach a mutually beneficial arrangement," Mr. Ke said.

Taiwan Aerospace is a joint public-private venture set up by the government and more than a dozen major local companies in June to develop Taiwan's fledgling aerospace industry.

McDonnell has said it is discussing the sale of a minority stake in its commercial aircraft business to one or more Asian investors, which it has declined to identify.

McDonnell said the commercial and military programs of its Douglas Aircraft Co. will

become separate operating units for accounting purposes on Jan. 1.

Security analysts say the company, whose share of the world jetliner market has been sliding, badly needs an injection of capital to

**Analysts say that McDonnell Douglas, whose market share has been sliding, badly needs an injection of capital to proceed with plans for a new jumbo jet.**

proceed with plans to launch a new jumbo jet called the MD-12.

Mr. Ke said McDonnell had approached companies in countries including Japan, Singapore, South Korea and Indonesia, as well as Taiwan.

The talks also involve the possibility of Taiwan Aerospace building fuselages and wings for McDonnell, he said.

McDonnell and other foreign makers have

pledged to buy components from Taiwan in return for aircraft purchases by the island's rapidly expanding airline industry.

Mr. Ke said \$2 billion "is a lot of money and beyond our current financial resources."

But industry sources said Taiwan's central bank could provide loans to Taiwan Aerospace if the company struck a deal, as the central bank has done for previous overseas investments by Taiwan companies.

Taiwan has foreign exchange reserves of more than \$75 billion, believed to be the largest in the world.

The government's Industrial Development Bureau will also offer financial support to Taiwan Aerospace, the mass-circulation China Times newspaper said.

Taiwan Aerospace said in June it would be 61 percent owned by private firms and be capitalized at 10 billion Taiwan dollars (\$386 million) by next year.

But shareholdings and capitalization may change, industry sources said.

Aside from the talks with McDonnell Douglas, Taiwan Aerospace has also been discussing the possibility of joint ventures or co-production of aircraft parts with Boeing Co. of the United States, the European Airbus Industrie consortium and other foreign manufacturers, Mr. Ke said.

## Taipei Permits Imports Of Chinese Products

Agence France-Presse

TAIPEI — In another move easing restrictions on economic links with the mainland, Taiwan announced Friday that it had legalized the importation of some semi-finished products from China.

"Beginning today, various industrial organizations here can apply to import semi-finished products from China if they meet certain requirements," said Chuang Cheng-yuan, deputy information chief of the Board of Foreign Trade.

The change was approved by the cabinet-level Mainland Affairs Council.

Mr. Chuang said semi-finished Chinese products could be imported if they did not endanger national

security or hurt the growth of Taiwanese industry.

Taipei continues to outlaw direct trade with the mainland, but indirect trade, usually through Hong Kong, has flourished in recent years. It reached \$4 billion in 1990.

### Bond Auction Awaited

Heavy demand is expected at Taiwan's first auction of government bonds on Monday and cash-rich financial institutions will bid aggressively, bankers and securities analysts told Reuters on Friday.

The 24.5 billion Taiwan dollars (\$940 million) of five-year bonds are expected to sell out at a premium because of fierce competition among the 20-odd banks and seven major securities companies qualified to bid.

## Qian Shopped in Seoul

The Associated Press

SEOUL — Foreign Minister Qian Qichen of China, the highest-ranking Chinese official to visit Seoul, explored new business opportunities with Korean industrialists this week, reports said Friday.

Mr. Qian, in Seoul for trade talks with 14 other Pacific Rim nations, had a visit with Park Tae-joon, chairman of Pohang Iron & Steel Co., the country's largest steelmaker and one of the largest in the world. News reports said the two discussed exchanges in the industry and China's hopes to construct an iron and steel mill.

Mr. Qian also met Kim Woo-chong, chairman of the giant conglomerate Daewoo Group, and with Koo Cha-kyung, chairman of the conglomerate Lucky-Goldstar Group, news reports said.

The Chosun Ilbo newspaper said Friday that Daewoo's chairman discussed possible joint ventures in North Korea. Daewoo products include cars, electronics and ships. Lucky-Goldstar is the nation's leading electronics maker.

## U.S. Companies Join in Japan HDTV

Compiled by Our Staff From Dispatches

TOKYO — Ten U.S. and Japanese electronics companies announced Friday that they would jointly develop and produce large-scale integrated circuits for use in Japanese-format high-definition television sets.

They aim to produce the circuits by the spring of 1993, a spokesman for NEC Corp. said. The two American companies are LSI Logic Corp. and VLSI Technology Inc. The Japanese companies are NEC and a subsidiary, Matsushita Electric Industrial Co. and two subsidiaries, Mitsubishi Electric Corp., Pioneer Electronic Corp. and Sharp Corp.

Leading electronics manufacturers in the two countries have been competing to develop HDTV by forming groups to produce cheaper monitors, which currently cost 4 million yen (\$31,500). (UPI, AFP)

## French Polynesia Seeks Investment From Asia

Agence France-Presse

SYDNEY — French Polynesia, facing a cut in the government spending that is the territory's mainstay, is trying to compensate by attracting Asian and Australian investment in luxury tourism, a senior official said Friday.

"The state budget is limited, and military spending is going to decrease," said Michel Paoletti, counselor to the territory's president, Gaston Flosse. Without the \$1 billion in annual military and civilian transfers from Paris, "things would grind to a halt," he said during a visit to Sydney.

In per capita terms, the self-governing territory is the richest entity in the Pacific, thanks to spending by the French government, which has nuclear test sites there. Per capita gross domestic product stands at about \$14,700.

In Paris last month, Defense

Minister Pierre Joxe announced that total spending on France's nuclear forces — 42.9 billion francs (\$7.7 billion) this year — would be cut by 3.3 percent in 1992. Most affected will be the test centers on

the Polynesian atolls of Mururoa and Fangataua.

Last week, the government of French Polynesia adopted a new code of fiscal incentives for foreign investors, which Mr. Paoletti said

offers seven to 10 years' exemption from company tax, which runs at between 25 and 45 percent.

It provides relief from customs duty on imported goods regarded as essential for an investor's project, and concessions on social security contributions.

Still, Mr. Paoletti said, "French Polynesia is not a place with cheap labor." In contrast to Fiji, which has staked its future on low-budget tourism, French Polynesia wants to attract "an affluent clientele seeking exclusive resorts," he said.

The largest foreign investors in French Polynesia are the Japanese, with hotel holdings worth \$650 million.

Mr. Paoletti cited South Korea, Taiwan and Singapore as prospective sources of investment.

Apart from tourism, he said there were "large possibilities for growth" in the black pearl industry,

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## 'Dragon Bonds' a Roaring Success

Agence France-Presse

MANILA — Asian investors snapped up a \$300 million test issue of "dragon bonds" from the Asian Development Bank, prompting the institution to make it an annual exercise, a top official said here Friday.

"We are very, very happy about the result," Tomoo Hayakawa, ADB treasurer, said of the issue, which was launched simultaneously Wednesday in Taipei, Singapore and Hong Kong by the Manila-based bank.

The seven-year bonds — named after the industrializing "dragon" economies of East Asia — were priced at 99.6 percent, with a coupon rate of 7.50 percent payable annually.

He said the next issue was planned for early 1992, and the total amount might be increased.

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FIRST COLUMN

# Lobbyists Hold Up The Banks

HERE is a feeling among some Americans — and a considerable number of Europeans too — that the idea of a United States of Europe, if not an idle fantasy, must be some kind of feeble joke.

The examples of European political disharmony are all too obvious. There is serious disagreement over such issues as a common defense policy, the role of the European legislature, economic integration, monetary union, the extent to which the power of the Brussels bureaucrats needs to be curbed. And those are the easy things.

The difficult things look almost impossible. In crisis, the EC has not been seen at its best. No one can point to the war in Yugoslavia as a diplomatic triumph, while the response from European nations to the Gulf War varied hugely from country to country. So talk of a unified Europe remains just that — talk. There is as yet no genuine similarity between a divided Europe and the relative political harmony of the United States.

But there is at least one area in which the United States is an embarrassing example of disharmony. Despite the best efforts of the Treasury, and key members of the legislature, the U.S. banking system remains unreformed.

Thanks to a broad coalition of lobby groups with extremely narrow self-interests, banking in the United States will continue to exemplify parochialism. And an unstable parochialism at that.

This week saw a second defeat in ten days for a banking bill to reform laws already more than 60 years old. The bill, as neutered by the House of Representatives, is a recipe for more bank defaults as the smallest turn of events, interstate banking, broadening of banks' commercial activity, and reserve requirement reforms may be enacted one day, but it will be later rather than sooner.

The result will be a rerun — hopefully on a smaller scale — of the savings and loans crisis, as the Federal Deposit Insurance Corp. is asked to shore up an unwieldy system.

The losers, not for the first time, will be the consumers and the taxpayers. M.B.

# Fast-Food Stocks: Overdone?

By Philip Crawford

IMES may be tough, but you still have to eat. As economists debate the variables of a U.S. economic recovery that may just turn out to be the precursor to further recession, one thing remains constant: The average American still eats out at a fast food restaurant several times a week.

More Europeans and Asians are picking up the habit too. U.S. fast food chains, with projected 1991 worldwide sales of almost \$40 billion, are looking increasingly to overseas expansion. And a number of market analysts are saying that the industry, in anticipation of a livelier overall recovery, offers some of the most attractive stocks available today.

"Generally speaking, restaurant stocks have performed spectacularly since bottoming out about a year ago, and some of those stocks are still very good buys," said Caroline Levy, an industry analyst with Shearson Lehman in New York. "As the fast food sector goes more global in the 1990s, there will also be real opportunity with smaller, domestic chains that are taking advantage of a current American wave toward full-service, family-oriented restaurants."

Of the major fast-food names, only the undisputed sales champion, McDonald's Corp., and Wendy's International Inc. are traded independently. The British conglomerate Grand Metropolitan PLC owns run-up Burger King, PepsiCo Inc. keeps a stable of three industry thoroughbreds in Pizza Hut, Kentucky Fried Chicken and Taco Bell, and Hardee's is owned by TW Holdings Inc., which also operates the Denny's chain.

But McDonald's, despite its 12,153 outlets worldwide and projected 1991 total sales of almost \$20 billion, is not expected to be a stellar performer in 1992. Many analysts say the seminal fast food company, whose outlets gross an average of \$1.45 million domestically and \$2.18 million overseas, will at best keep pace with the market. McDonald's saw its share price plummet 16 percent in 1990, compared to the Dow Jones industrial average's slide of 4 percent, but has recovered to modestly outperform this year. It currently trades at about \$35.50 a share.

The industry trend toward globalization, analysts say, stems from oversupply in the U.S. as well as the heavy welcome that fast food products have received throughout Europe, parts of Asia and East Asia. "The U.S. market is becoming saturated, and overseas markets are becoming that much more attractive," said Michael Mueller of Montgomery Securities in San Francisco. "We're

also seeing U.S. companies trying to establish a presence in new domestic venues, such as airports and schools."

Both Grand Metropolitan and PepsiCo should appeal to investors now, Mr. Mueller added, due partly to the performance of their fast food divisions.

Indeed, Grand Metropolitan is favored by many brokers. Its stock has risen more than 50 percent since September 1990, and it now trades at about \$60 a share in London. It's a behemoth, evidenced by the fact that its Burger King subsidiary, with projected 1991 system-wide sales of \$1.25 billion (\$2.2 billion) brings in only about 12 percent of its profit.

Of the American fast food front-runners, Ohio-based Wendy's International is arousing a lot of analyst enthusiasm. "Wendy's is an excellent opportunity," said Ms. Levy of Shearson Lehman. "Over the past year, its earnings growth is up 20 percent, and earnings per share is up 30 percent. I would expect another 25 percent rise in EPS in 1992. I don't see rapid expansion on an international level yet — it still has a ways to go domestically — but it's very attractive now."

Joseph Doyle, of Smith Barney, Harris Upham & New York, concurred that Wendy's currently represents the best "pure play" restaurant industry stock. "It's a very interesting company that's made an impressive turnaround," he said. Wendy's share price, which has risen 56 percent since July 1990, is currently about \$9.

Mr. Doyle said that PepsiCo was also on his "buy" list, due in part to good prospects for its fast food division. Of an overall operating profit of \$2.4 billion last year, PepsiCo's restaurant group accounted for \$628 million (26 percent), with Pizza Hut, Taco Bell (which specializes in Mexican-American fare), and Kentucky Fried Chicken bringing in \$305 million, \$185 million, and \$138 million respectively. In addition to its flagship soft drink business and its restaurant division, PepsiCo also operates a snack foods sector, featuring Frito-Lay products.

PepsiCo's overall expansion will be at a faster rate internationally than domestically," said Mr. Doyle, "and Kentucky Fried Chicken and Pizza Hut will be the main vehicles in the restaurant sector. I don't think the company's executives feel that the French, for example, are quite ready for the burrito," one of Taco Bell's staples. PepsiCo's share price, though climbing about 10 percent thus far in 1991, has still underperformed the market by about 8 percent. It currently trades at about \$29.50.

Some experts feel the best investor opportunities in the restaurant industry lie not with established fast-food giants, but with

smaller publicly traded chains that offer full table service and promote the family dining concept. Such firms abound. Texas-based Brinker International Inc., which operates the Chili's chain, Minnesota-based Buffets Inc., which operates Old Country Buffet restaurants, and Cracker Barrel Old Country Store Inc., headquartered in Tennessee, are several of the comers. Others include Shoney's Inc., Vicorp Restaurants Inc., and Ryan's Family Steak Houses Inc.

"The share price of both Brinker and Buffets is up over 100 percent since last year," said Ms. Levy, "and both have market multiples of about 25 or 26 times earnings. Compare that to McDonald's and Wendy's, which are each at about 13 or 14 times earnings, and the overall market at about 16. If I had to choose one, though, I'd say Buffets is the most attractive." Brinker and Buffets trade at about \$30 and \$39 respectively.

A market multiple, also known as a price-earnings ratio, is a frequently used analyst tool in determining growth potential, and is derived by dividing a company's share price by its earnings per share.

But John Rohs, of Wertheim Schroder in New York, cited the same high P/E ratios in the full service sector for not moving to buy. "Brinker and Cracker Barrel are both fine companies with good fundamentals and quality management," he said, "but those multiples are already at very high levels. I don't think they'll expand relative to the market. I'm not saying 'sell' but I'm not saying 'buy' either." Cracker Barrel currently trades at about \$41.

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## BRIEFCASE

### Suing Your Broker? Beware The Conventional Wisdom

Thinking of suing your broker? You might first check out the results of a new survey conducted by the Securities Arbitration Commentator. The U.S. newsletter's data covers 3,000 awards handed down in securities disputes from May 1989 to August 1990.

Perhaps most significant is the survey's "fairness factor" test. It reveals that brokerage customers were just about as likely to win before self-regulatory organizations like the New York Stock Exchange and National Association of Securities Dealers (58.1 percent were successful), as at the American Arbitration Association, the independent forum (57.6 percent won). Because brokerages have long balked at having cases heard before the AAA, it is widely believed that customers have better odds of winning a case before the nonindustry forum.

Actual cash awards were less clear-cut. Winners at the AAA recovered about 56 percent of stated actual damages, compared to 40 percent at self-regulatory groups.

But these figures are probably much closer in reality, said a spokeswoman from the newsletter, who pointed out that just one punitive damages award of \$1 million could skew results. The AAA did not report awards individually.

### 2 U.S. Funds Seek Approval To Increase Managers' Fees

Mutual funds have performed quite well this year, meaning their managers will be paid quite well, as the fees they receive are a percentage of fund assets. Still, two American fund companies have asked shareholders for approval to raise their fees.

Shareholders in the Value Line Fund have approved a 33 percent fee increase, according to the newsletter Fund Action, thanks to a great degree to the fact that its management company, Arnold Bernhard & Co., holds 15 percent of the shares. Arnold Bernhard has not been able to win passage of a 35 percent fee increase for the Value Line Income Fund, in which it holds a 7.3 percent stake. Fund Action reported.

Officials at Arnold Bernhard refused to comment on the fee increase plans. Shareholders in the 40 funds of the IDS

family will vote on a proposal under which management fees are to be lowered, but at the same time another charge called a transfer agency fee would be raised. The net effect would be an 8 percent increase, although some shareholders might see fees go down overall.

Why the increase? "The manager felt it was not receiving a market rate for the services it was performing and wanted to be compensated at the market rate," explained Leslie Ogg, vice president and general counsel for the boards of the individual IDS funds. Rather than cut back on service, he said, the management company asked for the fee increase.

A transfer agency, by the way, handles record-keeping tasks for individual shareholders at a fund.

### Tokyo's Expensive, Sure, So Better Try Kuala Lumpur

Business travelers will not be surprised to learn that the most expensive city in East Asia is Tokyo.

A recently published survey from the con-

least expensive cities were Kuala Lumpur and Beijing, which costed out at \$139 and \$140 respectively.

### Hambros Aims at Japan Through a Guernsey Fund

The liberalization of Japan's mutual fund market continues. The British fund manager Hambros is launching the first Guernsey-registered fund to be marketed in Japan, following Tokyo's recognition of the British Channel Island's OECD status.

The new Super ASEAN fund will invest mainly in Indonesia, Malaysia, Thailand and the Philippines. The strategy is to follow the perceived investment benefits of Japan's Foreign Direct Investment program, and the fund will also take exposure in other benefiting economies, such as South Korea, Hong Kong and Taiwan.

The fund will also be marketed in Britain. For more information, call Hambros in London (44 71) 480 5000, or Hong Kong (852) 525 4535.

### American Hopes Investors Will Frequently Fly Its Fund

Yields on U.S. money market funds have fallen to their lowest levels since the late 1970s, but one such vehicle may prove tempting to travelers as well as investors.

American Airlines' AAdvantage money market fund is now awarding its individual shareholders one mile toward free flights and service for every \$10 invested. Frequent-flier investors stand to do better on the yield side as well. The \$792 million fund, which is run by the airline's money management subsidiary, has been one of the year's top performers. It recently turned in a weekly yield of 6.01 percent, when the industry fund average was 5.1 percent.

There are a few caveats to becoming a shareholder in the fund. First-time investors must commit \$10,000 — considerably more than most funds require. There is also a yearly fee of 0.25 percent.

For a prospectus, call 800-MILES-92 within the U.S. or write American AAdvantage Money Market Fund, Mileage Class, PO Box 9641, Providence, Rhode Island 02940-9973.

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Per diem cost of first-class hotel accommodation, meals and incidental expenses	
Tokyo	\$328
Hong Kong	285
Beijing	274
Taipei	253
Sydney	252
Bangkok	210
Singapore	208
Manila	205
Jakarta	184
Seoul	140
Kuala Lumpur	139

sulting services division of Wisconsin-based Ranzheimer International compared the cost of breakfast, lunch, dinner and lodging for the single business traveler. Tokyo topped the table at \$328 per day, followed by Hong Kong at \$285 and Seoul at \$274.

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## Look Outside Central Tokyo for Today's Bargains

## By Steven Brull

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Majeurette	134.00	-15.2
Groupe Cite	473.00	-15.1
Eurocom	666.00	-14.8
Spie-Satignolles	425.00	-13.8
Nouvelles Galeries	480.00	-12.6
Stratofacem	756.00	-12.1
Sommer-Milbert	1315.00	-12.1
SAT 9A Telecommunication	1426.00	-11.5
Cerius	118.00	-11.1

Bankers say the mortgage is structured this way because it is easier for them to recoup on the property if they have to foreclose. But given Hong Kong's fast and short-term outlook, brash luxury apartments can be of a surprisingly low quality and poor

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كتاب من الأصول



# THE MONEY REPORT

## Those Umbrella Funds Are Easy to Handle, but Very Dry

By David C. Lanchner

**S**O-CALLED "umbrella" portfolios have become very popular with fund management companies in recent years. But should the individuals at whom the funds are aimed share the managers' enthusiasm? The external investment questions need to be asked: What are they? How do they work? Are they just a new marketing gimmick? Or are they a smart way of making money?

An umbrella fund is lots of small funds gathered together in one. When you make a typical umbrella fund investment you buy roughly a half-dozen "subfunds," each one focusing on a different world market. Assets may be switched from subfund to subfund, either for a minimal fee or for free.

In theory, investors gain access to a balanced and flexible global stock and bond portfolio through a single fund. But instead of expanding choices, umbrellas may limit them.

The basic problem is that you can't expect one fund company to excel in all areas," says William Lynne, who constructs mutual fund portfolios for investors at Gerard, Vivian & Gray in London.

This is true even in the case of the best of the umbrella funds. For example, at Henderson Horizon Fund, a top-ranked fund on both a three-year and one-year basis, the Japanese Smaller Companies subfund has outperformed at least 75 percent of similarly focused portfolios for three years in a row.

In contrast, the company's lackluster European portfolio has significantly trailed industry averages. Mr. Lynne often recommends the better performing subfunds of umbrellas but warns his clients not to rely on all-in-one portfolios for complete global diversification.

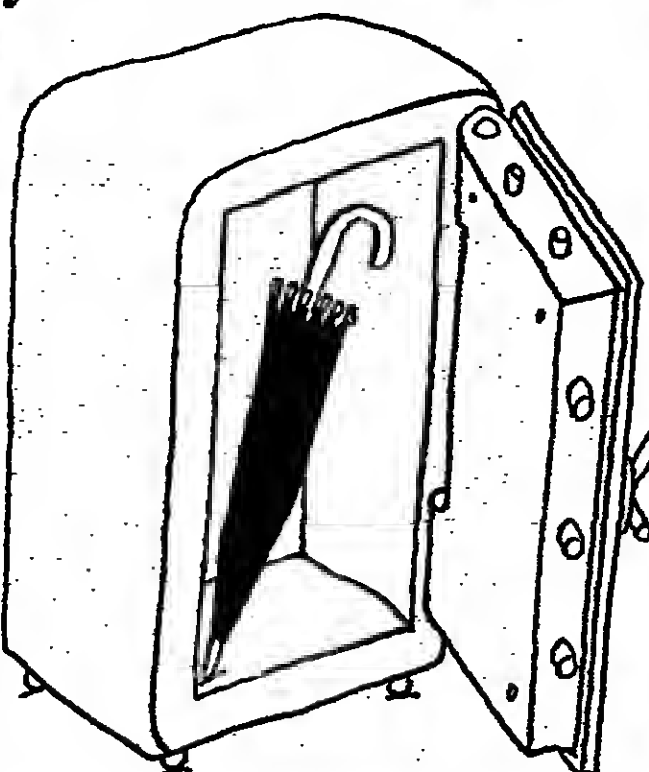
Umbrella portfolios can offer a fairly cheap and convenient way to gain global exposure but "a price is paid in terms of lost opportuni-

### Top Performing Umbrella Funds

Value of \$100, income reinvested, excluding charges.				
	Sales fee	Minimum investment	Over one year	Over three years
Schroder International Selection 5 stock & bond funds 4 free switches	5.0%	\$5,000	133.87	111.31
Henderson Horizon 5 stock & bond funds 4 free switches	4.5%	\$10,000	119.08	136.11
Fleming Flagship 12 stock & bond funds 4 free switches	5.0%	\$2,500	115.77	
Abnstrut Atlas 12 stock & bond funds unlimited free switching	7.5%	\$1,500	114.57	127.17
Guinness Flight GSF 21 stock & bond funds 25 pounds per switch	5.0%	\$10,000	114.57	131.98
Hambros Equus 9 stock & bond funds unlimited free switching	5.0%	\$2,000	114.03	130.49

Sources: Micropal, Company reports

International Herald Tribune



into money funds or U.S. stock portfolios, only to see European investments recover in a matter of days. By making too much of switching and not sticking to a long term investment strategy, those people locked in losses," he says.

The peaks can be as damaging as the troughs; as money flows into a suddenly popular subfund, managers may have to buy investments at their peak, only to see their value decline later.

"There is definitely an element of hot money in these funds," admits Catherine Martens, a portfolio manager at the top ranked Schroder International Selection umbrella. She says, however, that switching abuses can be controlled by the image and marketing of particular funds as well as by concrete steps such as limits on the annual number of free switches. Overall performance can also be diluted by putting aside cash to cover redemptions, a precaution taken by managers — not just those of umbrella funds.

Individuals who find umbrellas an attractive way to invest, despite their limitations, will want to look for portfolios that show superior and consistent performance across as wide a range of subfunds as possible. The tendency for umbrella portfolios with just a few spokes is to have broad, generic funds that are filled only with conservative blue chips. "You can't get too specific or try to outperform market averages when you've got to cover all of North America with one fund," says Mr. Gadd.

Investors will also discover that most umbrella portfolios are headquartered in Luxembourg. The Grand Duchy's status as a tax haven and its membership in the European Community make it an ideal base for the funds to sell themselves to European and off-shore residents.

Initial sales commissions on umbrella funds are generally in the range of 4 to 7 percent while annual management fees average about 1 percent.

otherwise be separate marketing and administration costs and appeals to the brokers who sell funds," says Mr. Gadd. As a result, umbrella funds cost less to run, and sell more quickly than traditional portfolios. But this is not necessarily a plus for investors.

When investors are in control of investment strategy, the free switching feature of umbrella funds can provide a valuable escape hatch that does not exist at many traditional funds. Fund management companies often charge penalties or levy hefty sales commissions when investors shift among portfolios that are not part of umbrellas. But switching privileges also come with a price, professionals say. Their principal concern is

that flexible switching affects the managers' ability to ride out a loss or take a profit.

"The problem with free switching is that there is often an excessive amount of money washing around," says Mr. Christensen. To cover a wave of redemptions after a temporary market bottom, managers can be forced to sell investments that will rise in the long run.

"The temptation of switching inevitably means that people jump at the wrong time as well," says Mr. Christensen. As an example, he cites what he says were massive asset shifts during the recent hard-line coup attempt in the Soviet Union.

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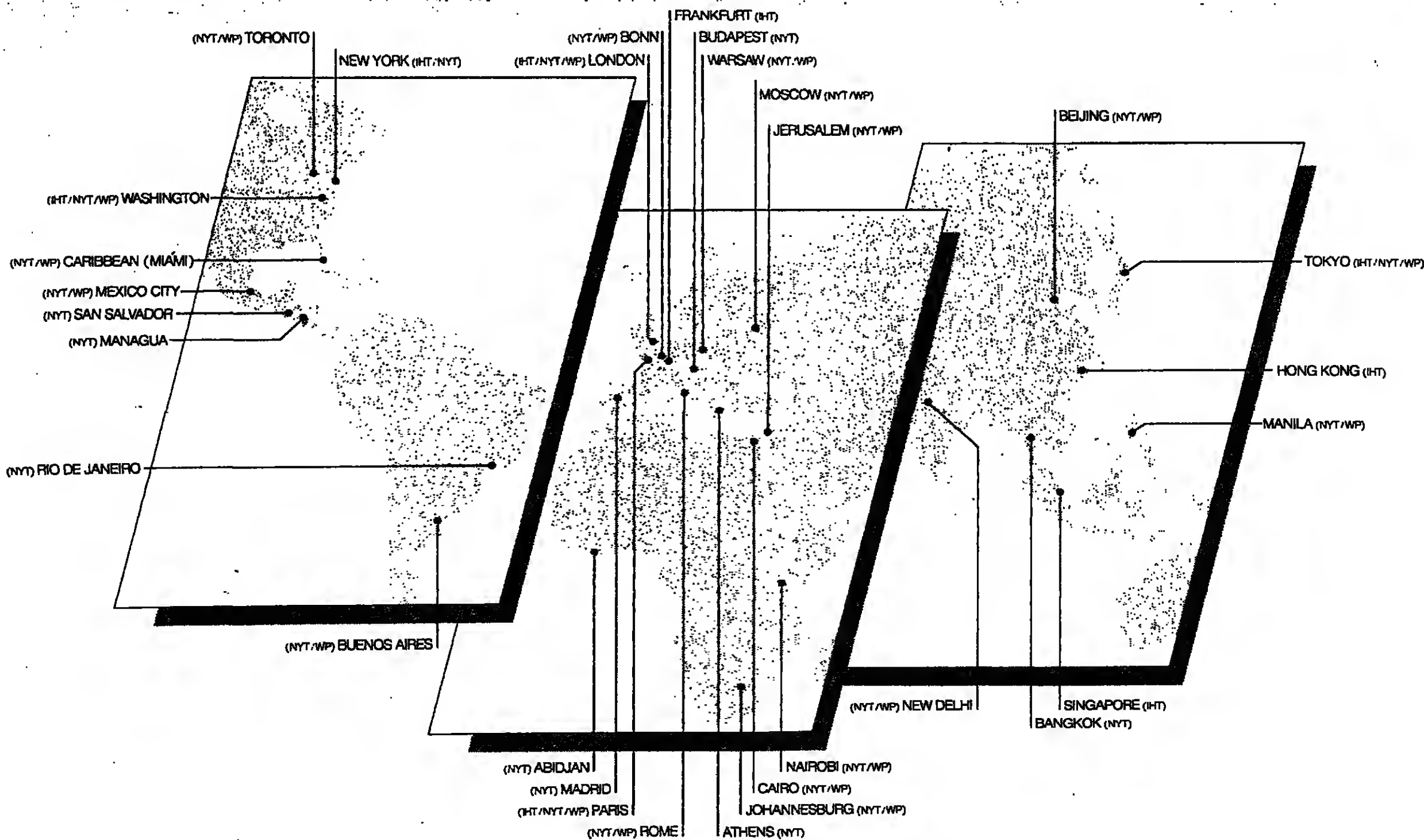
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# SPORTS

## France's Finest Colt Is Best Eclipse Bet

By Andrew Beyer  
Washington Post Service

WASHINGTON — Black Tie Affair had barely crossed the finish line to win the dramatic event of the Breeders' Cup when the debate began: Who is America's horse of the year?

Should it be Black Tie Affair, who won six straight stakes and ended his campaign with a victory in the \$3-million Classic, the country's most definitive championship race?

Should it be the French 2-year-old Arazzi, who generated more excitement than any other horse with his electrifying performance in the Breeders' Cup Juvenile? Should it be the filly Dance Smartly, who was never seriously challenged in winning all seven of her races and was the top money-winning horse in North America?

Or should it be In Excess, who was considered the front-runner for the title until his trainer ducked a championship confrontation in the Classic? Opinions vary sharply because there are no official criteria for choosing the horse of the year. While everybody admired Arazzi's one performance in this country, many people argue that the sport's top honor shouldn't go to a 2-year-old; others say it shouldn't go to a horse who has done most of his racing abroad.

Even though there are no published guidelines, it would seem a reasonable standard that any horse-of-the-year candidate must face and defeat top-class competition. This standard quickly disqualifies two of the four candidates for the title.

Dance Smartly won her first six races this year against moderate competition in Canada and then had to work hard to defeat a subgroup of fillies in the Breeders' Cup Distaff. She certainly wasn't good enough to have beaten Black Tie Affair or any of the country's best males. The Canadian filly is no horse of the year.

**IN EXCESS DOESN'T DESERVE** the title either, even though his victory in the Woodward Stakes suggested he might be the best older horse in the country. Aside from that race, trainer Bruce Jackson consistently looked for soft spots for his colt, and then avoided the Classic, fearing that In Excess wouldn't like the Churchill Downs racing strip or the 1 1/4-mile (2,000-meter) distance.

Voters for the Eclipse Award certainly shouldn't want to honor horses for taking the path of least resistance or encourage other trainers to earn championships the way Jackson tried to.

Black Tie Affair was admirably consistent, with seven victories in 10 starts. He was versatile enough to beat Housebuster in a sprint and to win the Breeders' Cup Classic at 1 1/4 miles. He would be an unobjectionable horse of the year. And yet he would have to be considered just about the least-distinguished horse ever to win this title.

Ordinarily, the horse who excels at classic distances on the dirt is America's horse of the year. Only when the candidates are weak, and somebody else is exceptional, do horses in other categories (sprinters, 2-year-olds, etc.) merit consideration. This is surely one of those years.

The sport has rarely witnessed such an ambitious feat as that of Arazzi, who won six straight stakes on the grass in Europe and then came to Churchill Downs to beat America's best juveniles on the dirt. Even if Arazzi had won narrowly and unimpressively, this would have been an extraordinary achievement. Yet he did it with one of the most electrifying performances U.S. racing fans have witnessed since Secretariat.

The objections to Arazzi as horse of the year are mostly technical: He is a 2-year-old and he raced only once in the United States. Yet there is precedent for each of these exceptions. In 1972, a season when all of the older horses were undistinguished, the 2-year-old Secretariat was named horse of the year. Moreover, voters have conferred other Eclipse awards on horses who have had distinguished campaigns in Europe and have scored a single American victory in the Breeders' Cup; Miesque won the filly turf title this way in 1987 and 1988.

Years from now, when we look back on the roster of great horses who have been horse of the year, the name of Black Tie Affair would look jarringly out of place. But Arazzi belongs there. His feats as a 2-year-old have already earned him a secure niche in racing history.



It was impossible to stop LSU's Shaquille O'Neal last season.

## Preseason Picks Start With O'Neal

The Associated Press

SHAQUILLE O'NEAL, last season's national player of the year, was one vote short of being the only unanimous selection on The Associated Press preseason All-America team. Joining O'Neal, who was named Thursday on 64 of 65 ballots by a panel of sportswriters and broadcasters, were Christian Laettner of Duke, Jimmy Jackson of Ohio State, Calbert Cheaney of Indiana and Lee Mayberry of Arkansas.

O'Neal, a 7-foot 1-inch (2.14-meter) junior center, was the first player to ever lead the Southeastern Conference in scoring, rebounding, field goal percentage and blocked shots in a season.

## Preseason All-Americans

Votes received from the 65-member nationwide panel of sportswriters and broadcasters: Shaquille O'Neal, Louisiana State, 64; Christian Laettner, Duke, 61; Jimmy Jackson, Ohio State, 52; Calbert Cheaney, Indiana, 23; Lee Mayberry, Arkansas, 20; Todd Dow, Arkansas, 15; Harold Miner, Southern Cal, 14; Alonzo Mourning, Georgetown, 14; Allen Houston, Tennessee, 12; Byron Houston, Oklahoma State, 11; Clarence Weatherman, Southern Mississippi, 7; Terry Deery, Seton Hall, 6; Bobby Harrison, Duke, 4; Don MacLean, UCLA, 4; Milt Smith, St. John's, 4; Josh Grant, Utah, 2; Chris Smith, Connecticut, 2; Walt Williams, Maryland, 2; Litteral Green, Georgia, 1; Anthony Pechar, Missouri, 1.

## In Florida Clash of Colors, Orange Bowl at Stake

By Malcolm Moran  
New York Times Service

TALLAHASSEE, Florida — From the Panhandle to the Keys, from the Gulf to the Atlantic, the points of view within the state of Florida will be distinguishable by their colors.

This week, the differences between the Gator and Gold of the Florida State Seminoles and the Orange and Green of the Miami Hurricanes — a clash, if there ever was one — may even take precedence over whatever relatively insignificant bonds have been created by wedding vows.

On his team's final day of practice prior to the meeting Saturday between the Seminoles and Hurricanes, two of the three remaining undefeated, united major-college teams, Florida State's coach, Bobby Bowden, was listening to a description of a married couple who had been seen just outside Doak Campbell Stadium. She was dressed in garnet and gold; he was attired in orange and green.

"What was his I.Q.?" Bowden wondered with a smile.

## States of Power

Teams from the same state that have been 1-2 in The Associated Press college football poll (note: Washington was tied with Miami for No. 2 on Nov. 3, 1991). Georgia No. 1, Georgia Tech No. 2; polls of Nov. 3 and 10, 1991. Notre Dame No. 1, Purdue No. 2; polls of Nov. 3 and 10, 1991. Southern Cal 1, UCLA 2; polls of Oct. 23 and 30, 1991. Purdue 1, Notre Dame 2; poll of Sept. 23, 1991. Penn State 1, Pitt 2; polls of Oct. 19 and Oct. 26, 1991. Miami 1, Florida State 2; poll of Jan. 2, 1992. Florida State 1, Miami 2; polls of Sept. 8, 15, 22, 29; Oct. 12, 19, 27; Nov. 3, 10, 1991.

Bonded forever by their mutual contempt for the University of Florida and its colors, orange and blue, the No. 1 Seminoles (10-0) and No. 2 Hurricanes (8-0) will meet for as high a set of stakes as has been established in a remarkable and intense intrastate rivalry. Fifteen years ago, at the start of Bowden's first season in what he anticipated would be a brief stay before he escaped to a power such as Alabama or Auburn, the Seminoles had lost 30 of their previous 34 games. Miami was in the midst of a 10-year period during which the Hurricanes played for sev-

en different head coaches and lost a once-huge fan base, apparently forever, to professional football.

Apparently not. Miami has won three unofficial national championships in the last eight seasons. Florida State has never been declared the winner of anyone's championship, partly as a result of the outcome of its recent Miami games.

Florida State has lost five of the last six games in this series, a record that Bowden feels would even satisfy the Hurricane half of a mixed marriage. "I doubt it would break up marriages," Bowden said. "We've done our part to keep the Miami people happy."

Although officials of bowl games made an agreement that they would not negotiate with schools until Sunday at 3 P.M. Eastern time, it is understood that the winner here will play in the Orange Bowl on the evening of Jan. 1. If Florida State loses, the Seminoles will reportedly go to the Cotton Bowl.

If Miami is defeated, the Hurricanes are expected to stay close to home and play in the Blockbuster Bowl, on Dec. 28.

## Patton Back Next Week

The Associated Press

MIAMI — Criminal charges against Miami Hurricane running back Martin Patton will be dropped and his suspension from the team lifted next week, his attorney said. Miami's coach, Dennis Erickson, suspended Patton and teammate Jonathan Harris after Harris was injured in a motorcycle accident early Sunday morning and Patton was arrested for scuffling with police.

"Really, the cards are in our hands," said Terrell Buckley, the confident Florida State cornerback. "All we got to do is win."

If the Seminoles remain perfect, their next step would be a meeting on Nov. 30 against the Florida Gators, when orange and blue will again become significant.

"If we win this one, folks, we've got another one just as big," Bowden said. "It don't stop."

## For the Redskins and Rypien, the Bandwagon Will Roll On

These matchups of weekend NFL games were prepared by Thomas George of The New York Times. Odds are provided by the Latest Line.

**REDSKINS (10-0) AT STEELERS (4-6)**  
Key stats: The Redskins' offensive line has allowed only 4 sacks; the NFL record is 7 set by Miami in 1988. Comment: Mark Rypien has not been sacked in his last 5 games and has enjoyed ridiculous time to pass. Pittsburgh has 23 sacks (Denver leads the AFC with 29) and must pressure Rypien. Pittsburgh, however, has allowed 26 sacks and flounders on offense. Redskins are favored by 7 points.  
**JETS (5-5) AT PATRIOTS (3-7)**  
Key stats: Jet kicker Pat Leahy has missed 9 of 30 field goals and has made a long one of 40 yards; Jets' opponents have missed 6 of 24 with a long one of 53. Comment: The Patriots have played solidly but have lost close games at the end. The Jets are in dire need of a game-

## NFL MATCHUPS

breaking effort by Al Toon or Rob Moore, and if either gets the ball, they win handily. Jets by 2 1/2.

**BEARS (8-2) AT COLTS (1-9)**  
Key stats: The Colts trail their opponents in rushing touchdowns, 1 to 14; Bears' Neal Anderson has rushed for 2 touchdowns and Chicago has outscored the Colts, 1,977 yards to 591.  
Comment: The Colts' offense came alive against the Jets, but Chicago's versatile defense is much tougher. Bears by 9 1/2.

**BENGALS (1-9) AT EAGLES (5-5)**  
Key stats: The Eagles have 0 touchdown passes without quarterback Jim McMahon and 9 with him.  
Comment: The Eagles showed a new and surprising offensive punch, rallying from 23-0 to beat Cleveland, 32-30. McMahon threw for 341 yards and 3 touchdowns. The defense, however, will take over again this week, forcing the Bengals to throw at least 30 passes, with Philadelphia's secondary intercepting at least 3. Eagles by 9.

**BRONCOS (7-3) AT CHIEFS (7-3)**  
Key stats: In his last 9 games, John Elway has connected on only 32 percent of his passes inside the opponent's 20-yard line; Chiefs' No. 1 pick Harvey Williams, averaging 23.6 yards per kickoff return, could be pivotal.

**CHIEFS (7-3) AT PACKERS (2-8)**  
Key stats: Vikings' running back Herschel Walker has 138 carries, 13 NFL running backs have more.  
Comment: Minnesota, of the disappearing defense, faces Green Bay, of the sputtering offense. The only thing that might save this game is the divisional rivalry. Vikings by 2.

**BUCS (2-8) AT FALCONS (5-5)**  
Key stats: Tampa Bay made 26 turnovers in 5 games but made only 1 in beating Detroit, 30-21, last Sunday; Atlanta's Red Gun offense has barely outgained its opponents in passing yards, 1,979-1,977.  
Comment: Atlanta's defense takes out its frustration for Washington's 56-point spree. Tampa Bay is still thinking respectability; Atlanta is still hoping playoffs. Falcons by 6.

**COWBOYS (6-4) AT GIANTS (5-5)**  
Key stats: Cowboys' running back Emmitt Smith has fumbled once in 18 carries, that one coming in overtime in Dallas' 26-23 loss last week at Houston.  
Comment: Smith looks for atonement against the Giants, a team the Cowboys have already beaten. Quarterback Troy Aikman is dangerous and receiver Michael Irvin leads the NFC in catches with 53, but the Giants' defense must stop Smith. Giants by 6.

**RAMS (3-7) AT LIONS (6-4)**  
Key stats: The Rams defense has not allowed a 100-yard rusher this season but the team has dropped 4 straight games; Barry Sanders leads the league in rushing touchdowns with 9.  
Comment: The Rams are the type of team that gives Detroit trouble. They are big and can pass deep against a

suspect Lions' secondary and pass rush. Whatever the problems with quarterback Andre Ware, he and his Lions deserve him behind center for a full game. Lions by 4 1/2.

**SAINTS (9-1) AT CHARGERS (2-8)**  
Key stats: San Diego has outscored back Rod Bernardi averages 4.9 yards a carry, matching Buffalo's Thurman Thomas, who has a career-long 54-yard field goal by John Carney. Receiver Anthony Miller (5 catches, 124 yards) resurfaced, too. The Saints' defense will stand for none of that. Linebackers Pat Swilling (13.5 sacks) is first in league sacks. Only the Saints' suspect offense keeps it close. Saints by 5.

**CARDINALS (4-7) AT 49ERS (4-6)**  
Key stats: The once poised 49ers lead the NFC in penalties with 79 for 575 yards in losses. For the Cardinals, Stan Gelbaugh replaces Tom Tupa at quarterback.

**SEAHAWKS (5-5) AT RAIDERS (6-4)**  
Key stats: Seattle has been intercepted 18 times. Comment: Dave Krieg has accounted for only 3 of Seattle's thefts. Krieg is a dangerous sprint-out passer, but the Raiders know how to defend him. Raiders by 3 1/2.

**BROWNS (4-6) AT OLIVERS (8-2)**  
Key stats: Browns' second-year running back Leroy Hoard has 13 receptions, 6 for touchdowns.  
Comment: Will Cleveland rebound from that horrendous loss to the Eagles? No. Not in the Astrodome, where the Oilers are 5-0. Oilers by 13.

**BILLS (9-1) AT DOLPHINS (5-5)**  
Key stats: The Bills are known for their passing game but they have passed 311 times and rushed 304 times; Miami's defense has forced an AFC-low 5 fumbles.  
Comment: Buffalo is confident it can run up the middle and that is where the Bills' attack will begin Monday night. Miami is certain it can pass deep and that is where the Dolphins' attack will begin and end. Bills by 4.

## BOOKS

### Twilight of Empire: Inside the Crumbling Soviet Bloc

By Robert Cullen. 317 pages. \$21.95. Atlantic Monthly Press. 19 Union Square West, New York, N.Y. 10003. Reviewed by Stephens Broening

THE Soviet leadership, Robert Cullen informs us, decided in 1988 that it would not intervene in Eastern Europe to keep the empire intact. Cullen describes this as "a moral decision" on the part of Mikhail S. Gorbachev and his colleagues. That it certainly was, not the least because of the unpleasant consequences the world was spared. It hardly needs stressing that during the Cold War a threat to the Soviet position in Eastern Europe was assumed to be a casus belli. So the leadership's decision was all the more striking because, as Cullen learned from Yegor K. Ligachev, chief of the conservative faction at the time, there was no dissent in the Politburo over the question. As one Eastern European country after another spun from Moscow's orbit in 1989, "No one argued that the outer empire was worth preserving."

The Soviet decision also was an act of realism, a recognition of the growing strength of nationalism. Where the leadership erred was to think that there would be some acceptable way to shield the inner empire from its deconstructive effects. At work in the Soviet Union, no

less than in its former satellites, was the failure of communism as a universalist ideal, an organizing force. The void was filled by what Isaiah Berlin as called the power of wounded national sentiment.

Now, because of its difficulties, there is a temptation to write off Russia as a great power. But if the past is any guide, that would be premature. The modern Russian state emerged from the turbulent Time of the Troubles in the early 17th century and the fledgling Soviet state survived civil war and foreign intervention to confront the West with a dangerous challenge. Russia still commands in abundance the essential elements of national power. In this context it is worth noting a conversation between American and Russian diplomats: "Your situation is getting worse and worse. The chances of preserving the union are growing more and more desperate." That was the Russian foreign minister talking to the American chargé d'affaires — in October, 1962.

On the subject of the crumbling Soviet Bloc, Cullen writes with authority. He has sharp insight and an excellent eye for detail. Where he was not present at the events he describes, he convincingly reconstructs them with the aid of participants. He is at his strongest when he can convey what he himself has seen. His moving account of the Lithuanian parliament's declaration of independence in March, 1990, for example, is one of the best things in a readable book.

Cullen is good at finding the springs

that propel people to action. In the case of Latvia, Lithuania's unhappy neighbor, Cullen recounts how heavy pollution associated with reckless Soviet industrial management helped galvanize Latvians to challenge central rule, finally setting into motion what he describes as a desire for independence so strong as to seem genetic. At the opposite pole of the internal empire, Cullen reports on the unremitting hatred between Armenians and Azerbaijanis, neighbors whose animus had been kept in check during seven decades of Soviet power. With central authority in eclipse, they were free to act on their worst impulses. The heart of the dispute this time was another of Stalin's cruel jokes — the Armenian enclave of Nagorno-Karabakh inside Azerbaijan. Cullen not only discusses the deep historical sources of antagonism, his reporting on both sides of the fighting line provides fearful evidence that the region will continue to be an open wound.

If the book has any shortcomings, they have to do with the fact that it was written before events had had a chance to run their course. Though the book was completed before the failed coup last August, the revolt of the conservatives is implicit in Cullen's analysis. "Twilight of Empire" is a valuable addition to the growing literature on the Soviet Union.

Stephens Broening, an editor at the International Herald Tribune, is former diplomatic correspondent for the Baltimore Sun and Moscow correspondent for The Associated Press.

## BRIDGE

By Alan Truscott

IN the semifinals of the Bermuda Bowl for Open Pairs in the NEC World Team Championships in Yokohama, Japan, the defending champion, Brazil, was one imp ahead with four deals remaining in a 96-deal match. But Poland pulled ahead at the finish to win by 52.

The turning point in the Brazil-Poland match came on the diagrammed deal. Poland's Piotr Gawrys ventured three no-trump after his partner had shown a strong hand with a long diamond suit. Gabriel Chagas, East for Brazil, was no doubt praying that his partner would lead a club, and his prayer was answered when Marcelo Branco tabled the eight of that suit. But it turned out to be the wrong prayer, for the game was now unbeatable. After taking the club ace, South attacked diamonds, and East held up his ace until the second round. The club king was cashed and a diamond was led, in the hope that West held the heart king and the spade queen, but South was able to claim nine tricks.

It would not have helped Chagas to take his second club winner, for Gawrys would have thrown a diamond from the dummy and scored his ninth trick with the club jack. If West had made the more natural lead of the spade nine or ten, the contract would have been defeated by at least two tricks and perhaps four. In the replay North-South played in three diamonds, and the Polish team gained 10imps when it could have lost 8 or more.

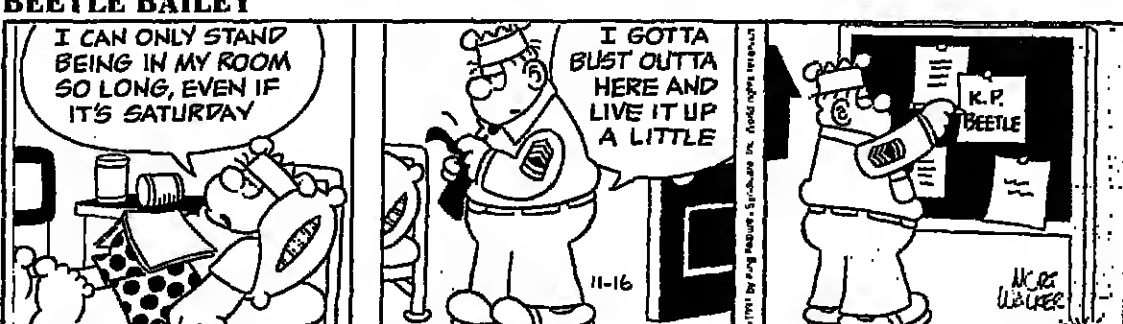
NORTH			
AK86	QJ9	AKJ743	A
QJ9	AK86	QJ9	AK86
AKJ743	A	AKJ743	A
SOUTH			
QJ9	AK86	QJ9	AK86
AKJ743	A	AKJ743	A
QJ9	AK86	QJ9	AK86
AKJ743	A	AKJ743	A

Both sides were vulnerable. The bidding: West: 1♣, 2♦, 3♥, 4♠, 5NT. East: 1♦, 2♥, 3♠, 4♣, 5NT. Play: West led the club eight.

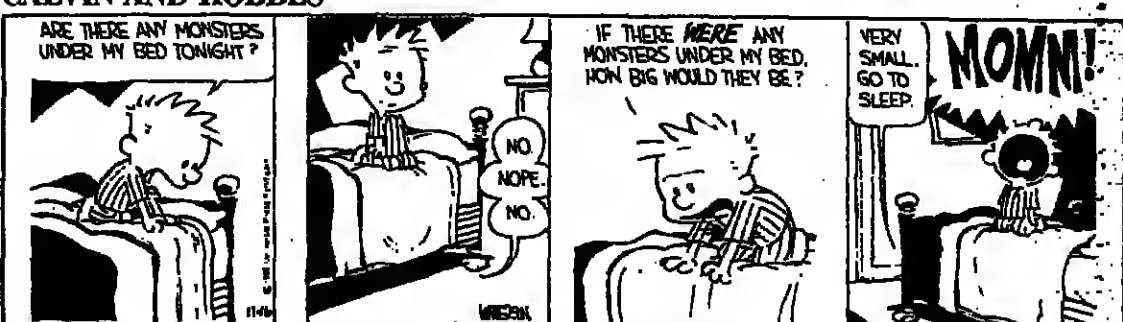
## PEANUTS



## BEETLE BAILEY



## CALVIN AND HOBBS



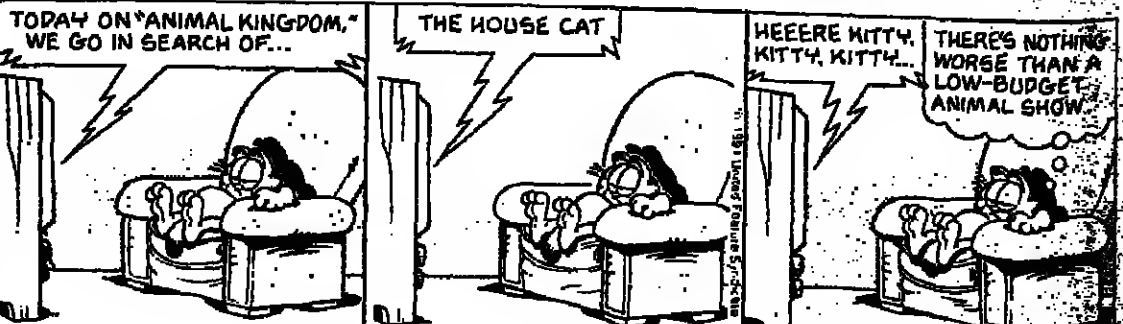
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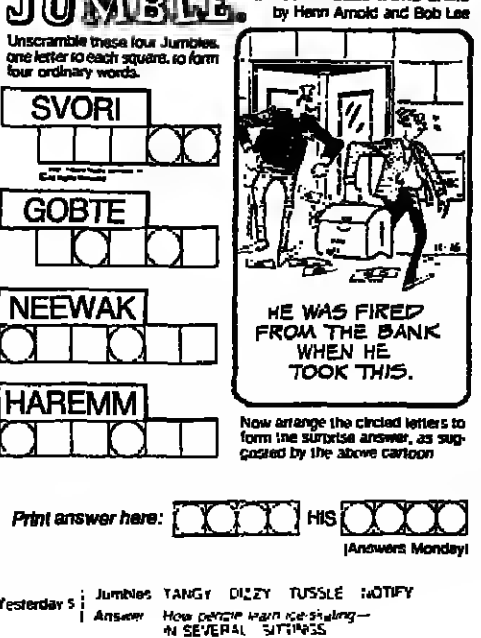
## DOONESBURY



## DENNIS THE MENACE



## JUMBLE



## BLONDIE



## NBA Begin About Test

WASHINGTON — The National Basketball Association (NBA) is expected to begin testing for HIV infection in its players this season. The league's medical director, Dr. Robert Johnson, said the tests would be voluntary and confidential. Johnson said the tests would be part of a larger effort to monitor the health of players and to provide them with information about the disease. The tests would be conducted by a private laboratory and the results would be kept confidential. Johnson said the tests would be part of a larger effort to monitor the health of players and to provide them with information about the disease. The tests would be conducted by a private laboratory and the results would be kept confidential.

## Australians Susp

MELBOURNE, Australia (AP) — The American Cup says the U.S. team is suspending its participation in the 1991-92 season. The suspension is effective immediately. The American Cup is a biennial tournament between the United States and Australia. The U.S. team is the defending champion. The suspension is due to a dispute over the format of the tournament. The American Cup is a biennial tournament between the United States and Australia. The U.S. team is the defending champion. The suspension is due to a dispute over the format of the tournament.

## Holy Cross vs. F

LOCKPORT, N.Y. (AP) — Holy Cross and Fairfield are scheduled to play a football game on Saturday. The game is part of the Holy Cross football season. Holy Cross is a Division III school and Fairfield is a Division II school. The game is scheduled for 7 p.m. on Saturday. Holy Cross is the home team. The game is part of the Holy Cross football season. Holy Cross is a Division III school and Fairfield is a Division II school. The game is scheduled for 7 p.m. on Saturday. Holy Cross is the home team.

## For the Record

AMERICAN basketball player Rudy Tomjanovich, who won the NBA championship with the San Antonio Spurs in 1999, died of cancer on Saturday. Tomjanovich was 57 years old. He was born in Cleveland, Ohio. He played basketball for the San Antonio Spurs from 1976 to 1999. He was a member of the NBA Hall of Fame. Tomjanovich was a coach for the San Antonio Spurs from 2000 to 2005. He was a member of the NBA Hall of Fame. Tomjanovich was a coach for the San Antonio Spurs from 2000 to 2005. He was a member of the NBA Hall of Fame.

## Quotable

LEO Thomas, general manager of the Pittsburgh Pirates, said that if he were interested in having him, I'd be interested in having him. Leo Thomas is the general manager of the Pittsburgh Pirates. He is a member of the MLB Hall of Fame. He is a member of the MLB Hall of Fame. Leo Thomas is the general manager of the Pittsburgh Pirates. He is a member of the MLB Hall of Fame. He is a member of the MLB Hall of Fame.



## SPORTS

## Lendl Plays Past Master And Present Hot Hitter

By Nick Stout

FRANKFURT — In the Masters tennis tournament of January 1981, Jimmy Connors beat Ivan Lendl by a score of 7-6, 6-1 in a preliminary match that some people believe Lendl was happy to lose.

The reason was understandable. Since both Connors and Lendl had already qualified for the semifinals, they were playing for the dubious honor of confronting Bjorn Borg in their next match. The loser's prize would be Gene Mayer, Connors reportedly called Lendl a "chicken," but Lendl flapped his feathers all the way to the bank after he beat Mayer and then finished the tournament as the runner-up to Borg.

Lendl, having risen in the rankings from No. 20 to No. 6 during 1980, was playing in his first Masters — the season finale that the ATP Tour now calls a world championship and which is reserved for the top eight names in the tennis rankings.

"Now 31 and in this tournament for the 12th straight season, Lendl has swept through his three preliminary matches this week without surrendering a set.

"You are as old as you feel, not as old as your papers say," Lendl said here, reflecting on the reality that his seven years at the Frankfurt Festival ranged in age from 20 to 26. "When I am at a hockey or basketball match, I don't think about my age. Then suddenly I do look around and see that I am older than most of the others. But when I'm watching the game I don't think about it."

His light-hearted press conferences are any indication, Lendl probably does not much care



Guy Forget of France, stretching mightily to make a point with his backhand in a return to Jim Courier. Forget lost in straight sets and failed to make the semifinals.

whether he takes on Andre Agassi, Boris Becker or Pete Sampras in the semifinals on Saturday.

In fact, the discussions invariably turn from tennis to his other passion, ice hockey — specifically the state of the National Hockey League team on which he is one of the members of the board of directors, the New England Whalers.

"Stanley Cup champions this year," he announces. "Write about that."

"Can I quote you on that?" someone asks.

"You'd quote me even if I didn't say it," Lendl answers back.

Later, he quizzed the reporters about a recent trade between the Whalers and the Philadelphia Fly-

ers, in which New England sent star forward Kevin Dineen to Philadelphia for Murray Craven and a 1992 draft selection.

Lendl, a Czechoslovak who intends to apply for U.S. citizenship in April, when his five-year residency requirement is fulfilled, has claimed 91 championships — more than any other man except Connors, who has won 109.

But it keeps getting tougher, Lendl said, not only because he is growing older.

"I think the game has become more physical," Lendl said. "Everybody attacks the ball much more, his it harder, serves it better. It has just developed overall."

Lendl, the "best athlete" in the

game, according to Becker, has been tough in Frankfurt this week.

He beat Guy Forget, 6-2, 6-4, on the first day; Jim Courier, 6-2, 6-3, on the second; and Karel Novacek, 6-2, 6-2, on Thursday.

"I feel like I'm hitting the ball cleanly, and serving well," said Lendl, who faced only one break point in the three matches. "It is all falling into place."

But whether he can play as well through the weekend, and perhaps win a sixth Masters title, seems to concern observers more than it does Lendl himself.

"I have won this tournament enough times for my satisfaction," he said. "I wouldn't mind winning again, of course, but I think it

would be much more important for me to win some Grand Slams next year."

"That is the bub of Lendl's frustration with 1991. Having made the finals in five of six tournaments before mid-April, including the Australian Open, where he lost to Becker, Lendl suddenly needed surgery to remove scar tissue from his hand. The operation kept him out of the French Open in May and may have contributed to his third-round loss in David Wheaton the following month at Wimbledon — the only Grand Slam event that Lendl has never won.

More recently, at the time of the Paris indoor tournament two weeks ago, the ache was in his left hip.

"All the muscles were sore and tight," Lendl explained, "and some adjustment was needed. It took about seven days before it felt better."

Now on a roll, Lendl had an off-day Friday. Maybe he was watching as the other players fought it out for the remaining semifinal places.

Lendl said that on Thursday he had seen some of Becker's victory over Michael Stich on the TV in the locker room.

When someone asked what he thought about the Frankfurt fans being so pro-Becker and anti-Lendl, Lendl replied: "I didn't notice. I was trying to figure out that hockey trade."

## Sampras Gains ATP Semifinals With Courier

International Herald Tribune

FRANKFURT — Boris Becker won the match, but Pete Sampras salvaged a set, which was all he needed to reach the semifinals of the ATP Tour World Championship here.

Becker, 2-1 in the tournament, won Friday by 6-4, 6-7 (3-7), 6-1 before a capacity crowd at the Frankfurt Festival, leaving Sampras also with a 2-1 record.

Becker's hopes for advancing to the semifinals of the John Newcombe Group rested, interestingly, on his compatriot Michael Stich, who needed to beat Andre Agassi in a late match for that to happen. Otherwise, Agassi would take the other semifinal slot.

Jim Courier, meanwhile, stopped Guy Forget, 7-6 (7-4), 6-4, clinching the second semifinal slot in the ATP Tour World Championship here.

Sampras' unraveling started when he sent a forehand volley long at 1-2, 15-15 in the third set. Becker seized the next point with a backhand pass down the line, and then Sampras double-faulted on break point.

He was over the same after that. Sampras did not get another point off Becker's serve, and he was broken again at 1-4 on Becker's backhand winner.

In the first set, Sampras had given Becker a break point at 4-4, 30-30, when he watched a service return land at his feet inside the baseline.

On the next point, Sampras volleyed long, and the partisan fans erupted with applause.

There were no breaks in the second, and Sampras dominated the tiebreaker with fine passing shots. As Sampras recounted it, when the match was over and the pair shook hands, the winner reminded the loser, "You're in."

"He played great tennis," Sampras said in turn. "I've never seen him hit the ball so hard and serve so well."

Forget, who will anchor the French Davis Cup team in the U.S.-French final later this month, was not the same performer he was Nov. 3 in Paris, when he served 29 aces and beat Sampras in a close five-set final.

"I didn't serve too well," Forget acknowledged Friday, saying that an important consideration in his

game was always whether he served "good, very good or just average."

"Today was just average," he said.

Forget ends the tournament at 1-2, having beaten Karel Novacek and lost to Ivan Lendl. Courier, 2-1, beat Novacek but also lost to Lendl.

Courier said that his victory Friday "meant a lot as far as this tournament is concerned," but he cautioned against underestimating Forget when he takes on Sampras and Agassi in Lyon at the Davis Cup final.

"I think that you'll see a different Guy Forget when the Davis Cup comes around," Courier said.

On Friday, Courier jumped ahead, 2-0, by finally converting the fourth break point of the second game, and soon he was looking at set point with Forget serving at 2-5. But the Frenchman survived the game after Courier returned a serve too wide.

Only Courier can explain what happened when he served at 5-3. He double-faulted at 30-love, and Forget's overhead made it 30-15.

At 30-30, Courier sent a weak forehand into the net after an uninspiring rally, and then he double-faulted again on break point.

Suddenly Forget was back in the set, and he seized on the chance by serving two aces in a 40-love effort, evening the score at 5-5. Was it a loss of concentration?

"It must have been," Courier said. "I missed four first serves in a row, and I really think I just didn't focus hard enough when I got up."

Forget kept up the pressure by serving another love game, but Courier came through in the tiebreaker with an ace and two fine passing shots on Forget's serve.

The second set turned on the ninth game. Serving at 4-4, Forget survived four break points, but on the fifth he volleyed wide.

Courier then served out the match without allowing Forget another point. —NICK STOUT

## NBA Begins Discussions About Testing for AIDS

By Alison Muscatine and Anthony Cotton

Washington Post Service

WASHINGTON — The union representing professional basketball players, responding to last week's disclosure that Los Angeles Lakers star Magic Johnson had contracted the AIDS virus, has begun discussions with several medical centers to devise an AIDS testing and counseling program for NBA athletes.

Charles Grantham, director of the National Basketball Players Association, said Thursday that the organization has contacted hospitals, including Johns Hopkins Medical Institutions in Baltimore, to help outline a program to educate players about the disease and provide information about testing and treatment.

Under a collective bargaining agreement between the league and the players association, tests can be administered only if a player consents. But Johnson's case has reinforced the

view among team owners that some form of testing should be instituted.

"From a management point of view, I'd like to test for the AIDS virus," said the Washington Bullets' general manager, John Nash. "But you have to walk the fine line between privacy and confidentiality."

However, eager teams are to implement a testing program, it's unlikely that testing will become mandatory in the NBA any time soon. Just as the issue of drug testing required careful navigation when it first surfaced a decade ago, the issue of AIDS testing is likely to take some sorting out.

Johnson has accepted President Bush's offer to serve on the National Commission on AIDS. The White House confirmed Friday. (AP)

Patrick Ewing of the New York Knicks was fined \$6,000 and Detlef Schrempf of the Indiana Pacers was assessed \$1,000 Friday for their fight in a game Wednesday. (AP)

## SIDELINES

## World Boxing Championships Open

SYDNEY (AP) — Sean Fletcher, who served aboard a U.S. aircraft carrier in the Gulf war, scored a 26-6 decision over Mark Mercer of Canada in the 119-pound (53.5-kilogram) category on Friday's 27-bout opening session of the World Amateur Boxing Championships.

Three members of the favored Cuban team advanced, including world champion Julio Gonzalez at 132 pounds.

The one-ring setup forced organizers to jam in 170 bouts Saturday, Sunday and Monday. The tournament ends Nov. 22-23.

## Australians Suspicious of Conner

FREMANTLE, Australia (Reuters) — The main Australian challenger for the America's Cup says he believes top American yachtsman Dennis Conner is throwing up a smoke screen by saying he can't afford to build a second yacht for next year's event.

Iain Murray, head of the Sydney-based Spirit of Australia Challenge, one of two Australian challengers, said Friday he knew Conner had ordered the winches and gears for a new boat. "Anything is within Dennis's strategic capabilities," Murray said.

## Holy Cross vs. Fordham — in Ireland

LIMERICK, Ireland (AP) — Holy Cross has been unbeatable for nearly two seasons in the United States. Now it tries to extend its mastery to another continent.

The Crusaders (9-0) will be seeking a Division I-AA record 19th straight victory Saturday when they face Patriot League rival Fordham (3-6) on an ocean away from home. The Wild Geese Classic, named in honor of Irish soldiers exiled from their homeland 300 years ago, will give sports fans in western Ireland their first taste of American college football.

## For the Record

American basketball player Vinny Del Negro, currently with Benetton Treviso in the Italian league, has been given the Italian citizenship and may join the Italian team in the 1992 Olympics in Barcelona. (AP)

Vinny Pazienza suffered a dislocation in his spine according to the hospital in Warwick, Rhode Island, where the WBA junior middleweight champion was recovering from injuries suffered in a car accident. (AP)

UEFA, soccer's governing body in Europe, on Friday imposed stadium suspensions of two games on Portuguese club Boavista of Porto and one game on Italy's Torino because of unruliness by their supporters. UEFA also levied a \$52,000 fine on AEK Athens for the same reason. (AP)

Gunnar Gren, one of Sweden's all-time soccer greats and a former Olympic champion, died Thursday in Goteborg, Sweden, after a long illness, the national news agency TT said. He was 71.

Terry Long, the Pittsburgh Steelers guard who attempted suicide last summer after flunking the NFL's steroids test, on Thursday lost his appeal of the test results and was suspended for four games. (AP)

## Quotable

Lee Thomas, general manager of the Philadelphia Phillies, on his interest in baseball free agent Bobby Bonilla: "I told Bobby's representatives that if he were interested in coming to Philadelphia, we were interested in having him. I also told him we'd name the city after him."

## SCOREBOARD

## NBA Standings

## EASTERN CONFERENCE

## Atlantic Division

Team	W	L	Pct	GB
Philadelphia	5	2	.714	—
Miami	3	5	.400	1
New York	4	3	.571	1 1/2
Orlando	4	3	.571	1 1/2
Boston	4	4	.500	2 1/2
Washington	3	5	.375	2 1/2
New Jersey	1	5	.167	3 1/2

## Central Division

Team	W	L	Pct	GB
Chicago	6	2	.750	—
Atlanta	4	3	.571	1 1/2
Detroit	4	3	.571	1 1/2
Indiana	4	4	.500	2 1/2
Cleveland	3	4	.429	2 1/2
Denver	3	5	.375	3 1/2
Charlotte	1	7	.125	5 1/2

## WESTERN CONFERENCE

## Midwest Division

Team	W	L	Pct	GB
Houston	5	2	.714	—
San Antonio	5	1	.833	—
Utah	4	3	.571	1 1/2
Denver	5	2	.714	—
Dallas	4	2	.667	1 1/2
Minnesota	1	5	.167	4 1/2

## Pacific Division

Team	W	L	Pct	GB
Golden State	4	2	.667	—
Portland	4	3	.571	1 1/2
L.A. Clippers	3	4	.429	2 1/2
L.A. Lakers	3	3	.500	2 1/2
Seattle	3	3	.500	2 1/2
Phoenix	3	3	.500	2 1/2
Sacramento	1	5	.167	4 1/2

## THURSDAY'S RESULTS

Team	W	L	Pct	GB
Seattle	27	21	.565	—
Cleveland	26	22	.545	1 1/2
Phoenix	25	23	.520	3 1/2
San Antonio	24	24	.500	5 1/2
Portland	23	25	.479	7 1/2
Golden State	22	26	.455	9 1/2
Los Angeles	21	27	.438	11 1/2
San Diego	20	28	.417	13 1/2
San Jose	19	29	.396	15 1/2
Memphis	18	30	.375	17 1/2
San Francisco	17	31	.354	19 1/2
Los Angeles	16	32	.333	21 1/2
San Antonio	15	33	.313	23 1/2
San Diego	14	34	.294	25 1/2
San Jose	13	35	.273	27 1/2
San Francisco	12	36	.252	29 1/2
Los Angeles	11	37	.231	31 1/2
San Antonio	10	38	.211	33 1/2
San Diego	9	39	.190	35 1/2
San Jose	8	40	.169	37 1/2
San Francisco	7	41	.148	39 1/2
Los Angeles	6	42	.127	41 1/2
San Antonio	5	43	.106	43 1/2
San Diego	4	44	.086	45 1/2
San Jose	3	45	.065	47 1/2
San Francisco	2	46	.045	49 1/2
Los Angeles	1	47	.024	51 1/2
San Antonio	0	48	.000	53 1/2
San Diego	0	49	.000	55 1/2
San Jose	0	50	.000	57 1/2
San Francisco	0	51	.000	59 1/2
Los Angeles	0	52	.000	61 1/2
San Antonio	0	53	.000	63 1/2
San Diego	0	54	.000	65 1/2
San Jose	0	55	.000	67 1/2
San Francisco	0	56	.000	69 1/2
Los Angeles	0	57	.000	71 1/2
San Antonio	0	58	.000	73 1/2
San Diego	0	59	.000	75 1/2
San Jose	0	60	.000	77 1/2
San Francisco	0	61	.000	79 1/2
Los Angeles	0	62	.000	81 1/2
San Antonio	0	63	.000	83 1/2
San Diego	0	64	.000	85 1/2
San Jose	0	65	.000	87 1/2
San Francisco	0	66	.000	89 1/2
Los Angeles	0	67	.000	91 1/2
San Antonio	0	68	.000	93 1/2
San Diego	0	69	.000	95 1/2
San Jose	0	70	.000	97 1/2
San Francisco	0	71	.000	99 1/2
Los Angeles	0	72	.000	101 1/2
San Antonio	0	73	.000	103 1/2
San Diego	0	74	.000	105 1/2
San Jose	0	75	.000	107 1/2
San Francisco	0	76	.000	109 1/2
Los Angeles	0	77	.000	111 1/2
San Antonio	0	78	.000	113 1/2
San Diego	0	79	.000	115 1/2
San Jose	0	80	.000	117 1/2
San Francisco	0	81	.000	119 1/2
Los Angeles	0	82	.000	121 1/2
San Antonio	0	83	.000	123 1/2
San Diego	0	84	.000	125 1/2
San Jose	0	85	.000	127 1/2
San Francisco	0	86	.000	129 1/2
Los Angeles	0	87	.000	131 1/2
San Antonio	0	88	.000	133 1/2
San Diego	0	89	.000	135 1/2
San Jose	0	90	.000	137 1/2
San Francisco	0	91	.000	139 1/2
Los Angeles	0	92	.000	141 1/2
San Antonio	0	93	.000	143 1/2
San Diego	0	94	.000	145 1/2
San Jose	0	95	.000	147 1/2
San Francisco	0	96	.000	149 1/2
Los Angeles	0	97	.000	151 1/2
San Antonio	0	98	.000	153 1/2
San Diego	0	99	.000	155 1/2
San Jose	0	100	.000	157 1/2
San Francisco	0	101	.000	159 1/2
Los Angeles	0	102	.000	161 1/2
San Antonio	0	103	.000	163 1/2
San Diego	0	104	.000	165 1/2
San Jose	0	105	.000	167 1/2
San Francisco	0	106	.000	169 1/2
Los Angeles	0	107	.000	171 1/2
San Antonio	0	108	.000	173 1/2
San Diego	0	109	.000	175 1/2
San Jose	0	110	.000	177 1/2
San Francisco	0	111	.000	179 1/2
Los Angeles	0	112	.000	181 1/2
San Antonio	0	113	.000	183



## DAVE BARRY Sun, Surf and Grease

MIAMI — It began as a fun nautical outing, 10 of us in a motorboat off the coast of Miami. The weather was sunny, and we saw no signs of danger, other than the risk of sliding overboard because every exposed surface on the boat was covered with a layer of snack-related grease. We had enough cholesterol on board to put the entire U.S. Olympic team into cardiac arrest. This is because all 10 of us were guys.

I hate to engage in gender stereotyping, but when women plan the menu for a recreational outing, they usually come up with a nutritionally balanced menu featuring all the major food groups, including the Sliced Carrots Group, the Peas of Fruit Cut Into Cubes Group, the Uradis Group and the Plate Group. Whereas guys tend to focus on the Carbonated Malt Beverages Group and the Fatal Snacks Group. On this particular trip, our food supply consisted of about 14 bags of potato chips and one fast-food fried-chicken Giant Economy Tub of Fat. Nobody brought, for example, napkins, the theory being that you could just wipe your hands on your stomach. Then you could burp.

The reason the grease got smeared everywhere was that four of the guys on the boat were 10-year-olds, who, because of the way their still-developing digestive systems work, cannot chew without punching. This results in a lot of dropped and thrown food. On this boat, you regularly encountered semi-gnawed pieces of chicken skittering across the deck toward you like small but hostile alien creatures from the Kentucky Fried Planet. Periodically a man would yell "CUT THAT OUT!" at the boys, but that would only lead to the death of his concern. Discipline is vital on a boat.

We motored through random-looking ocean until we found exactly what we were looking for: a patch of random-looking ocean. There we dropped anchor and dove for lobsters, which protect themselves by using their tails to scoot backward really fast. They've been fooling predators with this move for millions of years, but the guys on our boat, being advanced life forms, including a dentist, figured it out in under three hours.

I myself did not participate, because I believe that lobsters are the result of a terrible genetic accident

involving nuclear radiation and cockroaches. I mostly sat around, watching guys lounge out of the water, heave lobsters into the boat, burp, and plunge back in. It was a total Guy Day, very relaxing, until the arrival of the barracuda.

This occurred just after we'd all gotten out of the water. One of the men, Larry, was fishing, and he hooked a barracuda right where we had been swimming. This was unsettling. The books all say that barracuda rarely eat people, but very few barracuda can read, and they have far more teeth than would be necessary for a strictly seafood diet. Their mouths look like the entire \$39.95 set of Ginsu knives, including the handy Arm Slicer.

We gathered around to watch Larry fight the barracuda. His plan was to catch it, weigh it and release it with a warning. After 10 minutes he almost had it to the boat, and we were all pretty excited for him, when all of a sudden —

**BA-DUMP** — Ba-DUMP — Those of you who read music recognize this as the soundtrack from the motion picture "Jaws." Sure enough, cruising right behind Larry's barracuda, thinking, "That's a shark. And not just ANY shark. It was a hammerhead shark, perennial winner of the coveted Oscar for Ugliest Fish. It has a weird, T-shaped head with a big eyeball on each side, so that it can see around both sides of a telephone pole. This ability is of course useless for a fish, but nobody would dare try to explain this to a hammerhead.

The hammerhead, its fin breaking the surface, zigzagged closer to Larry's barracuda, then surged forward.

"Oh —!" went Larry, reeling furiously.

CHOMP went the hammerhead, and suddenly Larry's barracuda was in a new weight division.

CHOMP went the hammerhead again, and now Larry was competing in an entirely new category, Fish Consisting of Only a Head.

The boys were staring at the remainder of the barracuda, deeply impressed.

"This is your leg," said the dentist. "This is your leg in 'Jaws.' Any questions?"

The boys, for the first time all day, were quiet.

— Knight-Ridder Newspapers

# Cornering the Literary Market on Tennis

By Nick Stout  
International Herald Tribune

**F**RANKFURT — The clever variations on the vocabulary seem limitless: "Tennis Is My Racket" by Bobby Riggs, "Courtship Triumph" by Virginia Wade, "Love and Faults" by Ted Tintling, "Game, Set and Deed" by Rex Bellamy, and so forth.

These are the catch phrases among the 1,200 or so English-language titles in tennis literature. We know there are 1,200 because Alan Chalmers, a 48-year-old onetime market-maker on the London Stock Exchange, has counted them.

Chalmers is still buying low and selling high, but his sole commodity nowadays is tennis literature (not counting a few antique rackets he hawks at library decorations). He professes to be the world's only full-time dealer in books about tennis — an exhausting, if enjoyable, job, he says, that keeps him busy even on weekends.

"People have said to me, 'I didn't know there was a market in tennis books,'" Chalmers said the other day at a breakfast interview here, where he has opened a temporary shop on the occasion of the ATP Tour World Championship this week. "So I always say the same thing: 'When I started, there wasn't. But I tried to create a market, and having created it I try to feed it.'"

Chalmers remembers that when he began to collect privately 15 years ago, "you could go into any bookstore and buy a shelf-full of books on tennis for about £10." The problem, he said, soon became what to do with all the duplicate titles. As a long-time press steward at Wimbledon, Chalmers knew of tennis writers who were also interested in books.

"So I put together little informal lists," he said. After one or two years, he said, all the books on his list were gone within days of the mailing.

"So I started to get a bit more aggressive. I did some advertising. I found that there were quite a lot of other people who collected tennis books privately. No one was aware of the existence of any others. They were all sort of parallel train lines. So I formed the junction."

The junction, called The Tennis

Bookshop, is in Hampshire, about 100 miles (160 kilometers) southwest of London. It is primarily a mail-order exchange of "rare, fine and collectible books related to racket sports." There are plenty of new titles, too, for his 1,350 customers in 38 countries.

The first good tennis book of the 20th century, Chalmers said, was "R. F. and H. L. Doherty on Lawn Tennis," primarily a coaching book by two major stars of the day. But it also has some history and lists records through 1903.

Before that, he said, between the birth of lawn tennis in the 1870s and 1900, almost all were how-to-do-it books.

"It was still a new game," Chalmers noted. "That period is almost bare of what I call quality literature."

According to Chalmers, the first tennis biography appeared in 1912, when a New Zealander named Anthony Wilding, who dominated tennis from 1909 to 1913, wrote one about himself. Chalmers believes, after having spoken with people who knew him, that Wilding would have dominated Wimbledon for years had he not been killed in the war.

"He had his head blown off in the trenches in 1915," Chalmers explained.

Chalmers praised Wilding's autobiography, "On the Court and Off," as "a great book." In 1916, A. Wallis Myers, a correspondent for the Daily Telegraph, wrote a biography, "Captain Anthony Wilding."

Myers' work had already been gracing the bookshelves of the day, notably with "Lawn Tennis at Home and Abroad," which Chalmers said was "this assessment of the state of the game in the world in 1903."

"He did Great Britain, Europe, Australia, America," Chalmers said. "It was a complete summary of how he saw the development of the game there. It's an absolutely brilliant work, really. Tremendous foresight to do that. You have an absolute time capsule of how the game was then."

Perhaps the best tennis name in use in the 1920s was Bill Tilden, the flamboyant American whom Chalmers described as "undoubtedly the most political author in the whole history of tennis."

"He has also written, I think



Chalmers: "I never put my prices down. I only put them up."

some of the best books," Chalmers

has said. "Standing head and shoulders above every coaching book ever written," he said, is "Match Play and the Spin of the Ball."

"I've heard several great tennis players in the past 10 years say that they owe leave home without that in their suitcases. Many of the principles are still as good today as they were in 1923, when it was published."

"He wrote a great many other books," Chalmers said of Tilden. "He was the most epistolary man imaginable. And like a lot of ten-

Thirty," by Helen Wills as the major autobiography by a woman player.

" Astonishingly enough," he said, "there is not a major contemporary book on the life of Suzanne Lenglen, whom everybody considers to be the greatest ever."

Each day Chalmers receives 10 to 20 requests for his lists of biographies, annuals, histories, and how-to books. "I'm working 16 hours a day, seven days a week," he said, "just printing out lists, posting books, keeping the catalogue up to date."

Many of his books are autographed, and part of Chalmers' job is sorting out the real signatures from the fakes. He guarantees the authenticity of the signatures, having secured many of them himself. The death of an author, of course, increases the value of the autograph.

"I had a signed Alice Marble," he said, speaking of the tennis star of the 1930s and '40s who died earlier this year. "It was beautifully signed. What's so good about it is that it was signed when she was winning Wimbledon. I had it put up to £225. I have no idea what the right price is, I'll just leave it on display and see what happens. If I haven't sold it after a year I'll probably put it up to £275."

"I do that," he added with a confident smile. "I never put my prices down. I only put them up."

Contemporary writings, however, apparently have their limits. "I have a pretty good idea of what the consumer resistance level is," he said. "A book about John McEnroe. I can sell for just about £15. I couldn't sell it for £20." But nobody, he believes, should sell it for £10. Protective of his self-made monopoly, Chalmers was annoyed a few months ago when a dealer in New York advertised a bunch of tennis books at giveaway prices.

"His prices," Chalmers said, "were lower than mine." Chalmers said, "So I rang him up and said, 'I'll buy everything.'"

"He said, 'You can't do that. I've got to keep some for my other customers.'"

"So I said, O.K. Sell them to your other customers. But next time you put out a list, put your prices up a bit."

Chalmers picked "Fifteen-

hundred years of tennis," by John Hodge, a book that Chalmers said was "a very good book."

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## PEOPLE

### Churchill's Homburg Gets \$6,600 at Auction

A Homburg hat worn by Winston Churchill was sold at auction in London on Friday for £6,600 (\$11,700). The hat, with Churchill's initials embossed in gold inside, was bought by an unidentified telephone bidder, Christie's auctioneers said. Churchill, Britain's World War II prime minister, wore the hat on state visits and other formal occasions.

Peter Arnett, who covered the Gulf war from Baghdad on Cable News Network, received the National Press Club's Fourth Estate Award for lifetime achievement in journalism. The award came 25 years after Arnett won the Pulitzer Prize for international reporting for his coverage of the war in Vietnam as a correspondent for The Associated Press.

The prime-time debut of Michael Jackson's first music video of the 1990s, the 11-minute "Black or White," was seen in 27 countries and pulled an audience estimated by producers at about half a billion. The video, said to have cost \$4 million to produce, heralds the Nov. 26 arrival of "Dangerous," Jackson's first album in four years and his first for Sony Corp. under a multi-year deal said to be worth \$50 million. "Black or White" is supposed to be about racial harmony, but in the opinion of Scott Wiloy, but in the opinion of Scott Wiloy, reviewing it for The Associated Press, "The message is obscured by the muddle of images that Jackson and director John Landis put on the little screen. It's by turns excessive, pretentious, and vague — almost typical for a music video but unworthy of Jackson's earlier collaboration with Landis, the 'Thriller' video in 1982."

Cheyenne Brando was arrested in France Friday on charges of complicity in the slaying of her lover last year. Cheyenne, who had vanished from a clinic near Paris, was with her father, Marlon Brando, when she was arrested near Orleans, south of Paris, according to the police. A magistrate on Thursday recently issued a warrant for her arrest. Cheyenne's half-brother, Christian, was sentenced to 10 years in jail in the United States last February for the killing of Dag Drollet, the actor's Beverly Hills estate.

## PERSONALS

SACRED HEART OF JESUS & SAINT JUDY OF THE HOLY SPIRITS. Thank You for prayers answered. NG

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## ANNOUNCEMENTS

Attention Photographers in case of technical problems with your Nikon F4

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